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Japan

Kaifu To Meet Top Officials on SII Strategy

OW0903040890 Tokyo KYODO in English 0223 GMT 9 Mar 90

[Text] Tokyo, March 9 KYODO—Prime Minister Toshiki Kaifu has scheduled a one hour meeting on Saturday with top government officials from three key ministries representing Japan in ongoing talks with the United States on structural impediments to trade, a top goverment official said Friday.

The move is in line with an undertaking made by Kaifu during his summit meeting in California with U.S. President George Bush last weekend to tackle the problem of structural adjustment under discussion at bilateral trade talks known as the structural impediments initiative (SII).

International Trade and Industry Minister Kabun Muto, who is one of the three ministers expected at Saturday's meeting, made the announcement at a press briefing here. Foreign Minister Taro Nakayama and Finance Minister Ryutaro Hashimoto will also meet with Kaifu. Chief Cabinet Secretary Misoji Sakamoto will attend the meeting. Details for the talks have yet to be fixed, Muto said.

Joint Report With U.S. Semiconductor Industry

OW0803131490 Tokyo KYODO in English 1222 GMT 8 Mar 90

[Text] Tokyo, March 8 KYODO—A joint U.S.-Japan semiconductor industry task force Thursday released a report that proposes ways of increasing foreign access to the Japanese market for semiconductors used in consumer products. The report released by the Electronic Industries Association of Japan (EIAJ) and the U.S. Semiconductor Industry Association (SIA) said the task force's objectives are to promote further entry of foreign semiconductors into the Japanese consumer market and to improve communication between foreign-based suppliers and Japanese companies.

The task force, made up of five Japanese user companies and six U.S. semiconductor suppliers, has met four times since 1989 to address the group's goals. The five Japanese chip users submitted to foreign suppliers a list of semiconductors used in their major consumer electronics products such as television sets and videocassette recorders, the report said. On the basis of the list, the task force surveyed foreign semiconductors which would be technically available for Japanese use, it said.

The survey found that foreign chipmakers can supply an average 6 percent of the listed semiconductors and, after technical modifications, an average 12 percent, the report said.

The Japanese side has insisted that behind the low U.S. share of the Japanese semiconductor market is unavailability of chips suitable for consumer electronics products. The findings of the survey apparently underscored the Japanese assertion, industry sources said.

The EIAJ and SIA task force agreed to adopt short- and medium-term "action plans" to be implemented by both users and suppliers.

Foreign semiconductor firms need to increase sales channels and service in Japan and to modify or redesign chips and semiconductor packages to meet user needs, EIAJ officials said. Users also need to be more flexible in adopting foreign semiconductors, especially when they could improve electronics products, the officials said.

In addition, both groups need to exchange information, identify issues, and propose solutions to increase foreign semiconductor access to Japan's consumer electronics market. Medium-range actions focus on developing system design and expertise and encouraging long-term relationships, the officials said.

The plans comes as some U.S. officials consider trade retaliation against Japan on a number of issues, such as satellite and telecommunications trade, and on structural barriers that limit U.S. access to the Japanese market. American chipmakers recently have urged the U.S. Government to include Japan's semiconductor market among those targeted by U.S. trade laws as being nearly inaccessible for American firms.

The Ministry of International Trade and Industry (MITI) has been requesting Japanese electronics, computer, and auto manufacturers to increase their share of imported chips for use in domestic products to head off trade tension with the United States involving complaints by U.S. semiconductor suppliers' of limited access to the Japanese market.

Under the 1986 U.S.-Japan semiconductor trade agreement, U.S. officials say Japan guaranteed 20 percent of its chip market at the end of the agreement in 1991, but Japanese officials say Tokyo has never promised any specific figure. President William J. Warwick of AT and T Microelectronics said the 20 percent share was only a target and not a firm number.

Kaifu's Advisers Propose Full Market Opening

OW0803191490 Tokyo KYODO in English 1524 GMT 8 Mar 90

[Text] Tokyo, March 8 KYODO—An advisory body to Prime Minister Toshiki Kaifu has proposed in a draft on national administrative reforms the full opening of the Japanese market, as well as improvement of Japan's economic and social systems and business practices to promote harmony with the outside world, informed sources said. The draft, however, stopped short of proposing abolition of controversial controls on foods, including rice, the sources said.

The advisory body warned in the draft that Japan will not be able to act effectively and will be isolated internationally if "vested interests" continue to dominate. The body had reportedly planned to propose the removal of controls on rice and other foods to meet foreign requests, but it reportedly met strong opposition from the ruling Liberal Democratic Party, which fought hard not to lose votes from the agricultural sector in the February 18 general election.

The advisory body is scheduled to submit a final proposal to Prime Minister Kaifu on April 18 after screening the draft further on March 26 and thereafter. The draft said the priorities of government spending should be reviewed constantly, particularly in allocating funds to public works. More flexible spending on public works has been a key issue in the Japan-U.S. talks on structural impediments.

The draft also called for a solution to the problem of spiraling land prices in urban areas, saying one of the most urgent problems is how ordinary workers can own their own homes in metropolitan areas. It proposes a review of taxes on acquiring, possessing and transferring lands, as well as new measures to promote effective use of land, such as limits on rights of private property.

The draft also sought drastic administrative and financial reforms in social security and other programs.

U.S. Air Force ACMI Air Zone Denounced

OW0903001990 Naha OKINAWA TIMES in Japanese 8 Mar 90 Morning Edition p 5

[Editorial: "Priority Still Given to Military in Okinawan Skies"]

[Text] Regarding the air combat maneuvering instrumentation [ACMI] system in the Alpha air zone, established in the air space northeast of the main island of Okinawa, the U.S. Forces [USF] have disclosed a plan to start using it in October this year. The ACMI is a device developed for the purpose of promoting pilot combat skills. It is a training system indispensable to the missile age, and said to be capable of providing instructions to pilots immediately after recording and analyzing training performance data of jet fighters, gathered by marine buoys of unmanned tracking stations.

It was in 1981 when the USF asked the Japanese side for the establishment of some training air space for the ACMI. Later, discussions were conducted on the issue for more than three years on such occasions as Diet sessions and other meetings. In 1984, a Japan-U.S. joint committee agreed to set up the Alpha zone as a new air and sea training area.

Meanwhile Okinawans continued their opposition movement against the establishment of air space for the ACMI. The prefectural assembly held an extraordinary session and adopted a resolution, calling for "opposition to setting up the ACMI" as a consensus of public opinion. The prefectural people opposed the plan because the ACMI air zone was located in an extremely important area for air traffic for Okinawa, and because it would create obstacles to safe operation of civil air services if additional military air space was established.

A vast stretch of air space has been secured for the exclusive use of the USF in the skies of Okinawa and its surrounding area. Combat training, which is very much like actual combat, is being held and air-to-air missiles and other weapons are fired in the "warning zones." There are 16 such special air zones established in a radial manner around Naha Airport. They are impeding private airline services.

In addition to the warning zones, there is an emergency military air zone called "alto love" [as published], which could be called an "illusory air zone" [maboroshi no kuiki]. The USF can set up such air zones whenever necessary.

In this way, most of the skies of Okinawa are taken up for military use, and it is no exaggeration to say that civilian airplanes are maneuvering through space between military air zones. It is dangerous to establish additional military air zones in the extremely overcrowded skies of Okinawa. Thus, it stands to reason that the prefectural people oppose the establishment of an air zone for ACMI so as to guarantee the safety of civilian aircraft.

The new air zone for ACMI proposed by the USF was moved from its initial location in the skies around Iwo Jima and Tori Shima to the skies northeast of the main island of Okinawa. Japan and the United States agreed on the change in 1984, and notification of it was made in 1985.

However, it has become known that the ACMI facility was left unused for some five years, without any explanations given. Reportedly, the USF wants to use the ACMI after completion of a microwave tower currently under construction on Mt. Iyu in Kunigami-son.

If the USF unnecessarily secures the air space and restricts its use by civilian aircraft it will be nothing but an excessive abuse of military privilege. Moreover, it is against the disarmament trend in the world to expand and fortify the U.S. bases in Okinawa while the cold war of the East and West is coming to an end. It is very regrettable indeed.

Radical Group Suspect in Contractor's Home Fire

OW2702030890 Tokyo KYODO in English 0158 GMT 27 Feb 90

[Text] Tokyo, Feb. 27 KYODO—Part of the home of the president of a major construction company was destroyed in a predawn fire Tuesday which police suspect was caused by an incendiary device planted by a radical group. The fire, which broke out at around 3:20

AM, destroyed a 136-square meter section of the 190-square meter residence of Shozo Yoshino, president of Shimizu Corp. in Setagaya Ward, Tokyo, police said.

Yoshino, 71, lived only with his wife in the house. They noticed the fire soon after it started, and escaped safely, police said. Kerosene, an electric cord, a timer, and some other items believed used to make a timed incendiary device were discovered at the porch and near the bathroom of Yoshino's residence, they said.

Shimizu is a major contractor long involved in construction projects involving the Imperial Palace and the New Tokyo International Airport at Narita, Chiba Prefecture. The company built the room in the palace used for the funeral of Emperor Showa who died on January 7 last year.

The Narita Airport, which Shimizu constructed with other contractors, has long been a target of radical groups opposing expansion work there. Yoshino has been president of the company since 1981.

Nissan To Export U.S.-Made Cars to Taiwan

OW0903010190 Tokyo KYODO in English 2302 GMT 8 Mar 90

[Text] Tokyo, March 9 KYODO—Nissan Motor Co. said Friday it will begin marketing its U.S.-made vehicles in Taiwan on April 1, following three other Japanese automakers with plants in the United States.

Products to be sold in Taiwan are the Nissan Sentra XE 4-door sedan and the Nissan hardbody pickup truck, both made by Nissan Motor Manufacturing Corp. U.S.A., Nissan's U.S. subsidiary in Smyrna, Tennessee, the No. 2 Japanese automaker said. It said the U.S.-made vehicles will be sold in Taiwan through the dealer network of Yue Loong Motor Co., a Taiwanese firm affiliated with Nissan that produces and sells Nissan models locally.

Taiwan bans the import of finished autos from Japan, except for some commercial vehicles, but lifted its ban on imports of U.S. and European vehicles in April 1985.

Nissan officials said the latest move is part of Nissan's efforts to promote further international cooperation among its worldwide facilities and is designed to beef up its sales in the Taiwanese market. "In the days ahead, we will be formulating still other measures for strengthening Nissan's competitiveness in the Taiwanese market," Nissan Director Tetsuo Tabata said.

Three other Japanese automakers—Honda Motor Co., Toyota Motor Corp., and Mitsubishi Motors Corp.—already sell their autos made at their U.S. plants in Taiwan.

'Sensitive Time' in Relations With PRC Viewed

OW0703125890 Tokyo KYODO in English 1145 GMT 7 Mar 90

[Text] Tokyo, March 7 KYODO—Japan plans to send a study mission to China to establish a cultural institution there and hold the Sixth Japan-China 21st Century Friendship Committee meeting in Beijing later this month, Foreign Ministry sources said Wednesday. While denying that Sino-Japanese relations have entered a new stage, they said that moves have quietly begun in various fields toward restoring bilateral relations, strained since the military crackdown on pro-democracy activities in China last June.

Japan has suspended high-level contacts with China and withheld resumption of the 810 billion yen third loan package for 1990-85 in protest at the government suppression.

The sources said they welcomed the meeting of the 21st century committee, agreed in January between Foreign Minister Taro Nakayama and State Planning Minister Zou Jiahua, "especially at this sensitive time" in Japan's relations with China. The committee is expected to exchange views on comprehensive future Sino-Japanese relationships, they said.

The construction of a research center to help preserve the ruins of the ancient merchant city of Dunhuang was promised by former Prime Minister Noboru Takeshita during his visit to China in 1988.

Talks on the 1 billion yen grant aid have been stalled following the Tiananmen massacre. The mission could come as early as May and Japan plans to complete the project by next year, the sources said.

Terming the reported visit to North Korea by Chinese Communist Party General Secretary Jiang Zemin as a routine bilateral exchange, the sources said that although China and North Korea appear to be unaffected by the collapse of communist regimes in Eastern Europe, they would not be able to escape completely the waves of reforms.

Joint Firm Building Cotton Cloth Mill in PRC

OW0503145590 Tokyo KYODO in English 1115 GMT 5 Mar 90

[Text] Tokyo, March 5 KYODO—Toyo Menka Kaisha Ltd., a major trading company, said Monday a joint Chinese-Hong Kong-Japanese firm is now building a cotton cloth mill in southern China. The joint venture, Golden Field Textile Ltd., based in Foshan, Guangdong Province, is capitalized at 7.2 million U.S. dollars, of which 11 percent is provided by Toyo Menka, 16.5 percent by Hong Kong's Esquel Enterprise Ltd., 30 percent by a Chinese cotton mill, and 42.5 percent by the Foshan Municipal Government.

The plant is scheduled for completion in April and is due to start production of cotton cloth in August, using dyed yarns. The mill will be capable of manufacturing up to 600,000 yards of cotton cloth per month, enough for 300,000 white shirts, mainly for supply to Hong Kong. It will be the first yarn-dyed cotton cloth production plant in China involving Japanese investment.

The plant was initially scheduled for completion last December, but the Tiananmen square bloodshed in early June and the Chinese Government's tight credit policy have delayed it, Toyo Menka officials said.

UK, French Firms Admitted to Tokyo Exchange

OW0503060290 Tokyo KYODO in English 0506 GMT 5 Mar 90

[Text] Tokyo, March 5 KYODO—Two British and one French securities firm will be given membership to the Tokyo Stock Exchange (TSE), TSE officials said Monday. The British firms, James Capel Pacific Ltd., and Barclays de Zoete Wedd Securities (Japan) Ltd., and the French firm Credit Lyonnais Securities AG., as well as seven Japanese firms, will be granted membership in April, said Minoru Nagaoka, president of the TSE. This will raise the number of foreign member firms to 25 and the total number of firms on the TSE to 124.

The British firm Cresvale International Ltd. Tokyo, the only other foreign firm that applied, will not be accepted, he said. The last two times new firms were admitted, mostly foreign firms were accepted, but "this time there is a balance between foreign and domestic firms," Nagaoka said.

According to TSE sources, the latest approval of new members is a direct result of pressures from foreign firms and politicians. Nagaoka said, "It would be a lie to say there weren't extenal pressures involved."

There had been strong complaints after James Capel, Barclays de Zoete Wedd, and Credit Lyonnais were refused membership in December 1987, he said. During her visit here last September, British Prime Minister Margaret Thatcher personally requested that the British firms be given membership.

It was widely assumed that the three foreign firms being admitted would get membership, but the decision on the less well-known Cresvale was unpredictable, TSE sources said. They said TSE officials debated whether or not to accept Cresvale, not wanting to invite complaints again.

Nagaoka said the British firm was rejected, because it did not fit the criteria for membership in terms of scale and experience in the Japanese equities market.

Concern Over French Nuclear Deal With Pakistan

OW0803153290 Tokyo KYODO in English 1256 GMT 8 Mar 90

[Text] Tokyo, March 8 KYODO—The Japanese Foreign Ministry on Thursday conveyed its concern to France over its sale of a nuclear power plant to Pakistan without Pakistan's agreement to open all its nuclear facilities for international inspection, officials said. Hiroshi Ota, director general for science and technology affairs, summoned to the ministry French Minister Jean-Jacques Subrenat to file Japan's concern.

Ota noted that the French nuclear sale to Pakistan, which is not a member of the Nuclear Nonproliferation Treaty, did not ensure a full-scope safeguard inspection of the facility and expressed concern over the lack of such safeguards, the officials said.

Japan withholds nuclear cooperation to nonmembers of the nonproliferation treaty, which obliges signatories to conclude a separate safeguard agreement with the International Atomic Energy Agency (IAEA) within 18 months.

Japan is also worried because it is difficult to monitor the management of used nuclear fuels in nations which are not members of the treaty and are not legally bound by the full-scope safeguard inspections, ministry sources said. Japan cannot remain indifferent to these situations, the sources said, referring also to the ministry's recent call to North Korea to allow outside inspection of its nuclear facilities.

The treaty signatories, which have emphasized nuclear arms reduction until now, will likely shift their attention to the issue of peaceful usage of nuclear power when they meet in August in Geneva, the sources said. The member nations gather once in five years to study implementation of the treaty.

French President Francois Mitterrand said in Pakistan last month that his Government has authorized French industrial firms to make technical and commercial offers to sell a 900 megawatt reactor.

Pakistan has tried to set up a nuclear power plant since 1982, but none of the leading suppliers of nuclear technology have submitted bids due to American pressure for Pakistan to sign the nonproliferation treaty. France, one of the five advanced nuclear nations, is not a member of the treaty.

Finance Minister To Watch Tokyo Stock Exchange

OW2702030990 Tokyo KYODO in English 0204 GMT 27 Feb 90

[Text] Tokyo, Feb. 27 KYODO—Finance Minister Ryutaro Hashimoto said Tuesday he will watch how the Tokyo Stock Exchange's [TSE] easing of controls on margin trading will affect the Tokyo stock market, which

suffered its second-largest ever decline Monday. Hashimoto told a regular press conferrence following a cabinet meeting that the rebound of both stocks and the yen in early trading do not mean that everything is all right now. But, "I can breathe a little easier now," he said.

The situation in the markets still demands close attention, he said. But, "I want to watch the effect of the TSE's measures for the time being," he said. The TSE on Monday decided to ease controls on margin trading from Tuesday by lowering the minimum margin requirement to 40 percent from the present 50 percent of transaction value.

Asked about the possibility of a change in Japan's monetary policy, he said, "I have heard nothing from the Bank of Japan," indicating there are no moves among the monetary authorities toward a raise of the official discount rate.

Expresses Concern at Yen Decline

OW0903040990 Tokyo KYODO in English 0231 GMT 9 Mar 90

[Text] Tokyo, March 9 KYODO—Finance Minister Ryutaro Hashimoto on Friday expressed his concern over the continuing fall of the yen on currency markets and said he strongly hopes concerted interventions by the central banks of major countries will work effectively to stabilize currency rates.

Speaking at a press conference after a cabinet meeting, Hashimoto said, "I don't feel happy. The yen-dollar exchange rate is being affected by the dollar's strengthening in the rapidly changing world situation." He added there are also some speculative moves causing the yen's decline.

The yen sank to the 151.40 yen level briefly Friday morning, its lowest value against the U.S. dollar in more than two-and-a-half years.

Touching upon a rumored special cabinet-level meeting in April of the Group of Seven (G-7) industrial nations, Hashimoto said, "nothing has been finalized yet. Some of the G-7 members hope to hold the special meeting, but others don't. They are concerned over the timing," he added. He admitted, however, that exchanges of opinion on such a meeting have started.

Central Bank To Continue Market Intervention

OW0903041090 Tokyo KYODO in English 0300 GMT 9 Mar 90

[Text] Tokyo, March 9 KYODO—The Bank of Japan remains determined to continue heavy dollar sales in currency markets to push the U.S. dollar down against the yen in concert with the other major industrial nations, a central bank source said Friday. In early Tokyo dealings, however, the U.S. currency gained further against the yen despite recent repeated intervention by the world's leading central banks, including the Federal Reserve Bank of New York, dealers said.

The dollar was changing hands at slightly above the 151 yen-level as of 11 A.M., after touching a 31-month high of 151.40 yen early in the session.

The source said the policy of cooperation on currency fluctuations agreed by the Group of Seven (G-7) nations remains strong and effective, suggesting speculative moves would be met with aggressive intervention.

Speculation that the G-7 countries are not serious about coordinated efforts to stabilize foreign exchange rates combined with waning prospects of lower U.S. interest rates to send the yen sliding further against the dollar, the source said. But the source argued that the recent decisive coordinated intervention among the central banks of the G-7 members is evidence that the cooperative policy remains intact.

The yen is unlikely to keep falling as market players appear to be waiting to take a cue from U.S. jobless data for February, due to be announced later in the day in Washington, the source added.

Special Diet Session To Last Until 26 June

OW2702051390 Tokyo KYODO in English 0402 GMT 27 Feb 90

[Text] Tokyo, Feb. 27 KYODO—The Diet session which convened on Tuesday is officially known as the 118th Special Diet. The session is set to last for 120 days, until June 26. A special Diet session is distinguished from ordinary and extraordinary Diet sessions in that a special Diet session has to be convened by law within 30 days after a general election.

An ordinary Diet session is the main Diet session, which by law is convoked once a year. Traditionally, the ordinary Diet session convenes in late December for a sitting that normally lasts 150 days.

The later ordinary Diet session was interrupted when the Diet was dissolved on January 24 for the general election for the House of Representatives.

The current special Diet, therefore, will sit in lieu of the ordinary Diet session to carry out legislative business left unfinished at the ordinary Diet, principally the supplementary budget for 1989 and the Fiscal 1990 government budget. If the current special Diet cannot finish all legislative business before it adjourns, the Government may call an extraordinary Diet into session, probably in the fall, to continue the job.

All bills still pending at the time of the adjournment of a Diet session are considered null, unless otherwise agreed by the Diet. Without such a "deliberation to continue" agreement, interrupted bills have to be resubmitted.

Disagreement Over Budget Halts Diet Business

OW0903042790 Tokyo KYODO in English 0333 GMT 9 Mar 90

[Text] Tokyo, March 9 KYODO—Diet business came to a halt Friday after the ruling Liberal Democratic Party (LDP) and the opposition disagreed over the handling of the supplementary budget for fiscal 1989. Voting on the budget was earlier scheduled to take place at a session of the budget committee and a plenary session of the House of Representatives on Friday but is certain to be delayed to next week as a result, parliamentary sources said.

In a meeting of directors of the budget committee, the LDP insisted on handling the supplementary budget and six bills related to the budget as a single package, while the opposition parties demanded they be treated separately.

Sessions of the budget committee and six other committees of the lower house came to a halt and are not expected to resume Friday.

The 120-day special Diet session convened on February 27 after the February 18 general election for the lower house in which the governing party retained its stable majority. The lower house's budget committee started debates on the supplementary budget on Thursday.

Career-Long Employment System 'Crumbling'

OW0503044590 Tokyo KYODO in English 0326 GMT 5 Mar 90

[By Hidesuke Nagashima]

[Text] Tokyo, March 5 KYODO—Masaru Eshima, 55, is president of the pioneer Japanese headhunter Tokyo Executive Search Co. U.S.-style headhunters are prospering in Japan as increasing labor mobility is beginning to erode the traditional career-long employment system. Eshima, who also heads the industry group Japan Executive Search and Recruitment Association, spoke recently with KYODO NEWS SERVICE. The following are excerpts from the interview:

KYODO: What is happening to the traditional Japanese employment system?

Eshima: The Japanese career-long employment system is crumbling. A turning point came with the 1973 oil crisis. To cope with a new era of slower growth, most companies started reducing personnel by encouraging middle-aged workers to retire early or transferring them to subsidiaries. Workers became less dependent on their companies and more willing to change jobs. In addition, industrial restructuring—corporate efforts to phase out unprofitable divisions and move into high-growth markets—has caused companies to turn to midcareer recruitment for their immediate personnel needs.

KYODO: How do executive candidates react to headhunters' initial contacts?

Eshima: Eight out of every 10 candidates contacted for possible recruiting now are willing to meet us, although only about two of every 10 were in the 1970s.

KYODO: What industries are most in need of executives?

Eshima: Automation, biochemicals, banking, communications, leisure, electronics, and fine chemical industries.

KYODO: What are the most important qualifications that companies require of executives?

Eshima: The basic requirement is a high degree of capabilties in a given field. In addition, leadership skills and cooperativeness are essential. As far as foreign companies are concerned, good foreign-language skills are a must. Experience with finances and accounting is necessary for all executives.

KYODO: Are most of your clients foreign companies?

Eshima: Fifty-one percent of our clients are foreign companies in Japan, 47 percent Japanese and 2 percent Japanese-foreign joint venture companies. Most of the Japanese clients are large companies listed on the stock exchanges.

KYODO: How large is the Japanese personnel recruitment market?

Eshima: There are about 250 headhunting companies and private employment agencies in Japan, doing total annual business of 40 billion yen.

KYODO: How do headhunters differ from private employment agencies?

Eshima: Headhunters scout executives from middle-management to chief executive levels—aged from the late 30s to the early 50s, with annual income of 8 million yen to 30 million yen. Employment agencies recruit nonmanagerial personnel—age from the mid 20s to the early 30s, with annual income of 4 million yen to 7 million yen. Headhunters start searching for executives only on request from client companies and do not have job seekers registered with them. Private employment agencies recruit job seekers through newspaper advertisements, have a large number of them registered, and introduce them to client companies as needed.

KYODO: How do you start headhunting?

Eshima: The process starts with a meeting with a client. In the next research phase, about 30 possible candidates are selected on the basis of information supplied by industry advisers and our computerized records of human resources compiled from various sources including company, association, and university alumni registers. A list of possible candidates is then presented to the client for prescreening. Prescreened candidates are directly approached by executive search consultants.

KYODO: How do you proceed after that?

Eshima: Further information is sought from various sources on candidates' backgrounds, before two or three candidates are selected. The client is given the selected candidates' resumes. A series of interviews between the client and the candidates follow. Before a final decision is made, executive search consultants offer their opinion on the conditions a candidate would be likely to accept. After the final candidate is selected and details are worked out, the client and candidate exchange written notification of intention to appoint/accept. The whole process takes five to six months.

KYODO: How much do you charge as a fee?

Eshima: We charge 35 percent of the annual pay of an executive to be scouted and require payment of that amount in five monthly installments on receiving a request for recruiting. There is an additional charge of 3.5 percent of the annual pay as out-of-pocket expenses, to be paid after the headhunting process is completed.

Mongolia

Further on Ulaanbaatar Hunger Strike, Dialogue

Sympathizers Declare Support

LD0803173490 East Berlin ADN International Service in German 1545 GMT 8 Mar 90

[Text] Ulaanbaatar, (ADN)—At about 2200 an estimated 5,000 people were still ringed around the overnight camp, which includes a tent with cots. In the words of its general secretary, (?Luwsanwandangiyn Bold), the Union of Students is planning student participation in the hunger strike. A few hundred sympathizers declared their support for the demands of the four organizations with their signatures.

Groups of people excitedly discussed the concerns of the informal groups and the reaction of the two officials in the television dialogue [as received]. The discussion is to continue tomorrow.

Sodnom, Activists Hold Dialogue

HK0903064290 Hong Kong AFP in English 0529 GMT 9 Mar 90

[Text] Beijing, March 9 (AFP)—Talks have taken place between Mongolian Premier Dumaagiyn Sodnom and opposition activists over demands for the mass resignation of the country's leaders, an official source in Ulaanbaatar said Friday.

The dialogue took place Thursday night and was broadcast live on state television, as a hunger strike continued in Ulaanbaatar's main square to demand the resignation of 250 state and ruling party officials. The talks lasted for 90 minutes "but no agreement was reached," said a source in the Mongolian Information Department reached by phone from Beijing.

Talks are to resume Friday but it was not clear what format they would take, a Western diplomatic source in Ulaanbaatar said. Four of Mongolia's major opposition groups are seeking the resignation of the state cabinet, the Grand Hural (parliament) and the Central Committee of the ruling Mongolian People's Revolutionary Party. They also want the creation of a provisional national assembly that would promptly organize Mongolia's first free elections in 69 years of communist rule.

Thursday's dialogue came a day after 18 Mongolians started their indefinite hunger strike in support of the opposition's demands. The government has broadcast an appeal for them to stop their protest, ahead of a ruling party plenum scheduled to open Monday.

Sodnom Interviewed on Return From Japan

OW0803050990 Ulaanbaatar International Service in Japanese 1200 GMT 6 Mar 90

[Report on interview with Dumaagiyn Sodnom, chairman of the Council of Ministers, at airport upon arrival from his official visit to Japan; by an unidentified correspondent on 4 March; Sodnom recorded in Mongolian, fading into Japanese translation]

[Text] [Correspondent] Would you please tell about the results of your visit to Japan?

[Sodnom] During my stay in Japan I met with Japanese Prime Minister Kaifu. Major topics at the meeting were friendship and joint business ventures between the two countries. I also signed a trade agreement between the Mongolian and Japanese Governments. This agreement will provide favorable conditions for the development of bilateral trade. The agreement does not completely resolve all trade-related problems between the two countries, and the organizations concerned will need to continue research and surveys.

My visit to Japan resulted in the concrete resolution of two problems: First, Japanese private enterprises will cooperate in building a small-scale steel mill in Mongolia with Japanese Government aid; second, hospital facilities will be provided to Mongolia. In connection with this aid program, Japanese technicians will visit Mongolia in March.

The expansion of Mongolian-Japanese relations is not confined to bilateral relations, but will also be of great significance to developing trust, friendship, and joint business ventures among nations in the Asia-Pacific region. I think that these are the major results of my visit to Japan.

I also met with leaders of the upper and lower houses and with business circles to exchange views. As a result of these meetings, I came to firmly believe that Japanese business circles have high expectations about expanding friendly, [word indistinct], economic, technological, and cultural exchanges between the two countries.

[Correspondent] I would like to ask another question. Would you describe your impressions of Japan, which you visited for the first time?

[Sodnom] I visited Japan for the first time as a representative of the Mongolian Government. Japan is a nation that has achieved a high level of economic development. I got the impression that people in Japan work hard. There is business competition among enterprises and, based on this competition, they make quality goods and provide efficient services. I think that these are the reasons for Japan's development.

In the future we must expand relations with economically developed nations. I think that there are many things we must learn from them. I think that this will benefit Mongolia in developing its economy. However, traditional exchange relations [words indistinct]. We need to further improve the ways and forms of exchange with these nations.

Namsray Interviewed on 20th Party Congress

OW0803111490 Ulaanbaatar International Service in English 0910 GMT 8 Mar 90

[Text] The national daily UNEN carries an interview with Politburo member and Secretary of the Mongolian People's Revolutionary Party [MPRP] Namsray. He noted that forthcoming 20th congress of the ruling party must positively (?influence) on the intensification of the party policy on reconstruction and renewal of the society. Preparing for the congress, we must deeply analyze the public and political life, the real economic state, and concentrate our attention on businesslike processes of the congress, underlines Mr. Namsray.

North Korea

Chinese Sources Say Kim Il-song Plans To Retire

OW0903115890 Tokyo KYODO in English 1126 GMT 9 Mar 90

[Text] Beijing, March 9 (KYODO)—North Korean leader Kim Il-song may retire and hand over power to his son Kim Chong-il after his 78th birthday on April 15, Chinese sources said Friday.

The North Korean Workers' Party notified China in mid-February of Kim's intention to retire from the front line of politics, according to the sources. Asked to confirm the stories of Kim's planned retirement, a spokesman for the Chinese Foreign Ministry said that he knew nothing about it. The North Korean Embassy in Beijing also remained silent on a written question sent by the Beijing Bureau of KYODO NEWS SERVICE on Kim's possible retirement from the official political arena.

The specific means by which the 48-year-old Kim Chong-il would take over power from his 77-year-old father, who concurrently serves as president of the state and general secretary of the (North) Korean Workers' Party are unknown, according to the sources.

The sources added that Kim Il-song appears to aim at becoming "a Deng Xiaoping of North Korea," maintaining his supreme power behind the scenes while his son consolidates a power base. China's Deng, who will reportedly formally relinquish his last official post as chairman of the State Military Commission at the People's National Congress to open on March 20, remained a power broker after his resignation from the chairmanship of the powerful Central Military Commission of the Chinese Communist Party last November.

Elections of deputies to North Korea's Ninth Supreme People's Assembly (SPA), which has authority to elect the president, will be held on April 22, the (North) KOREAN CENTRAL NEWS AGENCY reported in late February. The deputies to the present Eighth SPA were elected in November 1986. It is unprecedented for North Korea to hold parliamentary elections before the deputies' four-year term expire.

Indications are growing that Kim Chong-il will be elected president at the first session of the parliament after the elections. However, the schedule for holding a convention of the Workers' Party or a general meeting of its Central Committee, which are empowered to choose the party chief, has not yet been revealed.

In mid-February, North Korea urged Chinese Communist leader Jiang Zemin to visit Pyongyang in order to reconfirm traditional friendly relations between the two countries, the sources said. The Chinese official XINHUA NEWS AGENCY reported Monday that Jiang will visit North Korea in mid-March. The sources said Pyongyang needs to demonstrate solid relations with China in order to strengthen the domestic political foundations for the country's new leadership.

Despite sweeping reforms in the Soviet bloc countries, China and North Korea stick to their orthodox socialism and rapidly restored their close relations, which were strained until the first half of last year because of Beijing's loosening policy toward South Korea, the North's bitter rival.

Message Sent to South on Political Talks

SK0903043890 Pyongyang Domestic Service in Korean 0307 GMT 9 Mar 90

[Telephone message from Paek Nam-chun, the chief delegate of the North side to the preliminary talks for high-level North-South political and military talks, to Song Han-ho, chief delegate of the South side on 9 March—read by announcer]

[Text] To Song Han-ho, chief delegate to the South side to the preliminary talks for high-level North-South political and military talks:

As you know, we made it clear at the sixth round of talks that we would attend the talks on 7 March if your side

called off the "Team Spirit-90" joint military exercise. We also made clear our fundamental position on 8 February, issuing a statement from the delegation of the North side to North-South talks. The statement said that we would not be able to engage in a face-to-face dialogue with your side during the "Team Spirit-90" joint military exercise, which is being made against us, the other party to the dialogue. The statement also strongly demanded that the extremely provocative war exercise be suspended immediately.

If your side had been truly interested in dialogue and detente, it should have taken a resolute and proper step of suspending the criminal "Team Spirit-90" joint military exercise that aggravates the atmosphere for dialogue and strains the situation.

However, your side persistently conducted the "Team Spirit-90" joint military exercise, ignoring our just assertion and the yearning of fellow countrymen for peace and reunification and running counter to the trend of the times. Your side led the situation in the country to the brink of war, and it caused the North-South dialogues, which were making good progress, to be suspended suddenly, thereby making it impossible for our seventh round of preliminary talks to be held as scheduled.

That your side mentioning reconciliation, cooperation, and dialogue while firing rifles and guns at fellow countrymen, the other party to dialogue, hand in hand with foreign forces, is an act of deceiving reality and cheating even one's own conscience. We cannot but regard this as a brazen-faced shameless act before all fellow countrymen and the world aimed at relieving oneself of the blame for confrontation, aggravation of tensions, and suspension of dialogue.

Instead of making a decision to pull down the concrete wall which blocks free visits and total openness, and instead of suspending the "Team Spirit" military exercise which determines the fate of North-South dialogue, your side made an absurd allegation about a tunnel, thereby following the road of further aggravating North-South relations. This is a shallow trick designed to turn away from the unanimous demand of the people at home and abroad for halting the "Team Spirit-90" joint military exercise and pulling down the concrete wall, and to shirk the responsibility for having aggravated confrontation and tension and for having suspended dialogue.

If the concrete wall does not really exist in the southern area of the Military Demarcation Line as your side asserts, why does your side avoid accepting film of the concrete wall, videotapes, and pictures which we want to turn over to you side and even avoid sending an observation team? The fact that your side does not respond to our just demand can in itself be said to admit the existence of the concrete wall.

Your side must not continue to make a mockery of compatriots and the people of the world any longer. Instead, your side must make a bold decision to pull down the concrete wall, which is the symbol of the division and confrontation and the disgrace of the nation.

As for the farfetched tunnel story which your side has come up with in its telephone message, it is a replica of the stereotypical trick of your side which fabricates shocking incidents at the time of every crisis to divert the public opinion at home and abroad. Thus, it is a self-wrought drama which is absolutely groundless. Regarding the falsity of the tunnel story and your side's hidden intention in recently bringing forth the tunnel story, a clear elucidation was given in the 7 March statement of the spokesperson for our Ministry of People's Armed Forces.

Your side is trying to obstruct reconciliation, cooperation, and reunification by saying that no concrete wall exists, by trying to justify the "Team Spirit" military exercise, and even by concocting the malignant tunnel story. Nevertheless, the nation, which is teeming with the ardent desire and firm will to achieve reunification without fail in the nineties, will never allow it.

Our preliminary talks, which had reached the stage of finalization, must be concluded as soon as possible and the full-dress talks intended to remove the political and military confrontation between the North and South must be held at the earliest possible date.

I strongly urge that your side, even now, by lending an ear to the voice of the people at home and abroad and by halting the anti-dialogue and anti-reunification "Team Spirit-90" joint military exercise and the tumult of anti-communist confrontation at once, take due steps so that our seventh round of preliminary talks can be held at the earliest possible date.

[Signed] Paek Nam-chun, head of the delegation to the preliminary talks for the high-level North-South political and military talks
[Dated] 9 March 1990

Organizations in North View ROK Party Merger

SK0803113290 Pyongyang KCNA in English 1045 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—The Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF] held an extraordinary enlarged meeting here today, at which it discussed "on totally rejecting the merger of three parties in South Korea manipulated by the U.S. imperialists" and adopted an appeal to the political parties, organizations and people of all walks of life in South Korea.

Present there were Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president; Yi Kye-paek, chairman of the C.C. [Central Committee], the Korean

Social Democratic Party; Chong Sin-hyok, chairman of the C.C., the Chondoist Chongu Party; and officials concerned.

Yom Tae-chun, presidium member of the C.C., the DFRF, made a report at the meeting.

He said:

The South Korean fascist clique, defying the strong opposition of the popular masses, is going ahead in real earnest with "political restructuring" through the reactionary "merger of three parties" under the motto of "grand conservative coalition" according to a script of the U.S. imperialists.

The three-party merger is a political coup d'etat designed to bridge over the crisis of the colonial military fascist rule shaking to its very foundation, realise the long-term office of the military fascist group and indefinitely maintain the confrontation between the North and the South and division and is virtually a reactionary offensive against the democratic forces for reunification.

It is also a premeditated plot of the U.S. imperialists to check the independent advance of the South Korean people, prolong their colonial rule and extend their domination and subjugation of South Korea.

Each time their colonial fascist rule faced a crisis, with the creation of an unstable political situation in South Korea, the U.S. imperialists saved it by changing their stooges. This old method no longer working, they intend to straighten out the political situation through "political restructuring" by "grand conversative coalition."

The "political restructuring" through the three-party merger staged under the manipulation of the U.S. imperialists is a product of the scheme for the long-term office of the military fascist group.

Now the opposition camp and dissident democratic forces and people of all social standings in South Korea must not play into the hands of the U.S. imperialists and their stooges who try to split them, but must uphold the slogan of unity, and must not be bewildered by their "generosity" offensive nor yield to their blackmail, but turn out in an anti-U.S., anti-"DLP" [Democratic Liberal Party] struggle for independence democracy and reunification, the reporter stressed.

Kim Yong-chun, vice-chairman of the Central Committee of the Korean Social Democratic Party, Kim Kuk-sam, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, and Kang Yong-sop, chairman of the Central Committee of the Korean Christians Federation, made speeches at the meeting.

An appeal adopted at the meeting calls upon the political parties, organizations and people of broad segments in South Korea to rise in the struggle to decisively smash the "political restructuring" carried out by the ultra-rightist conservative reactionaries under the manipulation of U.S. imperialism and to open a broad avenue for independence, democracy and reunification.

The appeal stresses:

All the politicians and personages of broad strata who want democracy in South Korea and a peaceful reunification of the country should resolutely oppose and reject the emergence of the "DLP," a den of traitors and renegades, and determinedly rise in the struggle to smash the grand conservative coalition of the No Tae-u, Kim Yong-sam and Kim Chong-pil factions.

Politicians with political faith and national conscience should reject the temptation and blackmail by the ultra-rightist conservative reactionaries and promptly break with the "DLP" before it is too late, and join the national democratic forces which keep the spirit of the nation alive and champion justice and democracy.

A resolute struggle must be waged to scrap the "National Security Law," "Law of the Security Planning Board" and other fascist laws and dissolve fascist repressive machines including the "Security Planning Board" and the "Security Command" under the "DLP" dictatorship, to get all the patriots, democrats and students who have been imprisoned on unwarrantable charges under the "security-oriented politics" released and liquidate the military fascist dictatorial system.

All the workers, peasants, students and other strata of people in South Korea should never tolerate the vicious moves of the U.S. imperialists and the Japanese reactionaries in bringing into being the "DLP" and lift up louder voices of protest against the "Team Spirit 90" joint military exercises and against the tricky anti-North campaign over "tunnel."

The political parties, organizations and people of all social standings in South Korea should form a nationwide democratic united front, an anti-"DLP" alliance, transcending difference in their party affiliation and principles.

U.S. Sends More Combat Equipment Into ROK

SK0803153090 Pyongyang KCNA in English 1516 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—The U.S. imperialist aggressors brought the nuclear-powered extra-large carrier "Carl Vinson" and its escort ships including the guided-missile cruiser "Vincennes," the guided-missile destroyer "Robinson," the refueling ship "Wabash," and other combat ships into the east sea of Korea at around 5 this morning, according to military sources.

As soon as the "Carl Vinson" reached the waters 90 miles southeast of Pohang, the carrier-based planes flew in an aerial strike exercise simulating an attack on the North, inciting a war fever.

Earlier, on March 6 and 7, they brought into South Korea in succession formations of various types of transport planes including a formation of the large-size transport planes "C-5" carrying a huge armed force and combat equipment to be hurled into the "Team Spirit 90" manoeuvres from their military bases in Japan and the Pacific and deployed them in the operational zones.

In the same period, they massively brought to the airforce bases of their aggression forces in South Korea formations of "F-111," "F-16" and "F-4" fighter-bombers, VTOL planes, a refueling tanker, an anti-submarine patrol plane and helicopters based in overseas military bases for military exercises.

Such arms buildup clearly shows how feverishly the U.S. imperialists are running about to ignite a war against the North.

NODONG SINMUN Demands U.S. Pullout

SK0903045190 Pyongyang KCNA in English 0841 GMT 9 Mar 90

["Pretext Unacceptable to Anyone"—KCNA headline]

[Text] Pyongyang March 9 (KCNA)—U.S. Defence Secretary Cheney blared some time ago that the U.S. Armed Forces will remain in South Korea as long as "the South Korean people want it" and the U.S. defence report said in the same vein. And there came from the U.S. ruling circles the cry that they would remain faithful to their "treaty commitments" to the South Korean puppet clique.

Commenting on these facts, NODONG SINMUN today says this is a shameless sophism that can spew forth from the mouths of brigandish and brazen-faced occupiers.

The South Korean people are now waging a powerful anti-U.S. struggle for independence, shouting "Yankees, go home," the news analyst says, and continues:

If the U.S. reactionary ruling circles are not blind, they, ignoring this fact, would not dare say the South Korean people want the presence of the U.S. troops in South Korea.

The United States cannot justify the occupation of South Korea by its forces with the cock-and-bull story about the "demand of the South Korean people."

In trying to keep their troops in South Korea under the unreasonable pretext, the U.S. authorities are motivated by their sinister intention to unleash a war of aggression against our Republic and other socialist countries with South Korea as a springboard and realise their wild ambition for world supremacy.

Nobody will believe the U.S. imperialists' propaganda that the South Korean people, the victims to their Korea and Asia strategy, want the U.S. forces' occupation of South Korea.

The U.S. imperialists must end their occupation of South Korea and withdraw their troops and nuclear weapons from there without delay.

U.S. Military Cuts Called 'Troop Readjustment'

SK0703060690 Pyongyang KCNA in English 0536 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—The Foreign Ministry of the Democratic People's Republic of Korea in a statement March 5 reclarified the DPRK's stand of principle on disarmament, saying if the United States actually takes any partial troop pullout step signalling the beginning of the complete withdrawal of the U.S. forces from South Korea, we will welcome it and are ready to additionally take appropriate steps necessary for military trust and military cuts between the North and the South. And it urged once again the United States and the South Korean authorities to stop such war exercises as the "Team Spirit 90" and respond without delay to disarmament negotiations involving the North and South of Korea and the United States as proposed by the government of our Republic.

This is one more clear manifestation of the peaceloving stand of the government of our Republic and it clearly shows once again what sincere and patient efforts we are making for peace in Korea, says NODONG SINMUN in a commentary today.

Refuting the U.S. imperialists' allegation that the North has not taken "confidence-building steps" and that the "threat from the North" still exists, the news analyst brands it as a crafty ruse to deceive and flout public opinion at home and abroad and justify their occupation of South Korea and policy of showdown of strength.

The news analyst goes on:

The U.S. imperialists' "military cuts" plan is a sort of "troop readjustment" aimed at keeping their forces and nuclear weapons permanently in South Korea and continually increasing their combat capabilities.

If the U.S. imperialists and the South Korean puppets truly want peace on the Korean peninsula, they must take practical steps to slash the Armed Forces in South Korea and pull the U.S. forces and nuclear weapons out of there, instead of seeking "troop readjustment," and stop the "Team Spirit 90" joint military exercises and accede to our proposal for disarmament negotiations.

U.S. Helping Japan Plan 'Comeback' in Korea

SK0603045490 Pyongyang KCNA in English 0431 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—High-level authorities of the Japanese Cabinet in their talks with U.S. Defense Secretary Cheney during the latter's visit to Japan some time ago made quite a noise about fictitious

"threat from North Korea" in the Asia-Pacific region, saying the U.S. forces must be kept in South Korea, Japan and other regions.

This was a provocative outburst revealing the dark intention of the Japanese reactionaries to step up their militarist moves to stage a comeback to Korea, says NODONG SINMUN in a commentary today.

The news analyst notes:

The Japanese reactionaries, working hand in glove with the U.S. imperialists, have mapped out an operational plan to cope with "an emergency case" on the Korean peninsula under the pretext of "defense of sea lanes" and "blocking of straits" and are becoming hysterical in aggressive arms buildup. They are zealously joining the U.S. imperialists in the "Team Spirit" joint military exercises, leaving the territory of Japan to the latter as a relay base, a logistic base and a launching base for the maneuvers and mobilizing even the "Self-Defense Forces."

Nevertheless, they are talking about "threat" from somebody, and this cannot be construed otherwise than an outspoken hostile act.

Motivated by their wild ambition to stage a comeback to Korea, they are resorting to insidious moves to create "two Koreas," while tightening political and military tieup with the South Korean puppet clique and seeking a permanent division of Korea.

The Japanese authorities are helping in every way the South Korean puppet clique in their "nordpolitik," rolling up their sleeves in acting a "mediator" for "cross recognition," a propagandist of the latter's "U.N. membership" doctrine and a lobbyist to carry it into effect.

It is nothing but a crafty ruse for the Japanese reactionaries to call for "improvement of relations" with our Republic. They have no intention to apologize for the monstrous crimes of aggression they committed against the Korean people in the past and are encroaching upon the sovereignty of our Republic. Where would they get the face to call for "improvement of relations"?

Japan is again emerging as a dangerous aggressive force in Asia and becoming a factor of threat to peace in this region.

Our people are on their guard against this.

Paper Reviews DPRK Arms Reduction Proposals

SK0603232190 Pyongyang KCNA in English 1601 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—Arms reduction is an invariable policy of the Democratic People's Republic of Korea, declares NODONG SINMUN in a signed article today.

The article notes:

Our party and the Government of the DPRK, proceeding from the noble mission and responsibility for the cause of peace, put forward many fair and aboveboard proposals for arms reduction and peace overtures in each period of the developing situation to prevent the outbreak of another war and convert the wobbly armistice into a durable peace on the Korean peninsula and made all sincere efforts to put them into practice. In the recent years, for example, the DPRK Government advanced in close succession the proposal to turn the Korean peninsula into a nuclear-free peace zone, the proposal for large-size phased arms reduction, the four principles for the guarantee of peace, a blanket peace proposal and many other reasonable propositions for disarmament and peace. In these proposals we raised detailed matters for securing peace on the Korean peninsula such as the period and formalities, the stages and modalities of the withdrawal of the U.S. Armed Forces from South Korea and military cuts by the North and the South, their verification and information.

Our arms reduction proposals are just ones indicating realistic ways of removing the main factor of armed conflicts and guaranteeing a durable peace in Korea.

They would make it possible to ensure military equilibrium not by increasing the armed forces but by slashing them, and thus decisively lower the level of military confrontation between North and South and completely remove the danger of war in the country.

These arms cut proposals entirely conform also to the trend of our times toward disarmament and detente.

The American imperialism and the South Korean puppets answered our proposals for arms reduction by steadily building up arms and hastening war preparations behind the scene while talking much about "disarmament" and "detente," the article says, adding:

The U.S. imperialists are motivated by their aggressive Korean strategy in refusing to accept our proposals for arms reduction. Their Korean policy boils down to invading our republic and other socialist countries with South Korea as the springboard. As for the "arms reduction" advertised by them these days, it is no more than a redeployment aimed at reinforcing naval and air forces in place of a certain cut of non-combatants so as to increase the overall combat capacities.

If the U.S. imperialists reinforce their forces occupying South Korea and step up war preparations, shunning our proposals for arms reduction, they will face bitterer condemnation of the people at home and abroad.

Forum on 'Everlasting Korea-China Friendship'

SK0703055090 Pyongyang KCNA in English 0525 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—A forum on "everlasting Korea-China friendship" was held here on March

6 to mark the 31st anniversary of the signing of the agreement on cultural cooperation between the governments of Korea and China.

Yi Cha-pang, chairman of the State Commission of Science and Technology and chairman of the Central Committee of the Korea-China Friendship Association, spoke first at the forum.

He said:

The great leader of the Korean people Comrade Kim Il-song, Comrade Mao Zedong, the great leader of the Chinese people, respected Comrade Zhou Enlai and Comrade Deng Xiaoping have established particular intimacy and laid the eternal bedrock for Korea-China friendship. Comrade Kim Il-song again paid an unofficial visit to China in November last year following a series of his visits there and dear Comrade Kim Chong-il visited her in 1983, which marked epochal occasions in developing Korea-China friendship to a new stage.

The Chinese people are all out to implement the decisions of the recent fourth and fifth plenary meetings of the 13th Central Committee of the Communist Party of China, while developing the political phase of stability and unity with new revolutionary stamina, trusting the new leadership of the CPC centering around Comrade Jiang Zemin.

Recalling that the leadership of the party is strengthened, a brisk ideological education is conducted among the masses, the socialist system is defended and the construction of material and spiritual civilisation is being stepped up through reforms and opening to the outside world, he said:

China is taking on new looks day by day and her potentials are growing in strength.

He wished the Chinese people fresh success in their future struggle to promote socialist modernisation with Chinese characteristics, while maintaining "one centre, two main points" under the leadership of the CPC and reunify the whole country by the formula of "one country, two systems."

Chinese Ambassador to Korea Wen Yezhan spoke next.

Stating that everlasting Sino-Korean friendship is a most precious and noblest banner to the peoples of China and Korea, he elaborated on the struggle they have waged for those friendly and cooperative relations, always sharing the same destiny for a long period of history.

The two countries invariably respect and support each other, he stressed, adding:

We can say with pride that the friendly and cooperative relations between China and Korea are without parallel in width and depth, quality and quantity. Referring to the particular intimacy between the leaders of the two countries, he said the unofficial visit to China by Comrade President Kim Il-song in November last year would always remain engraved on the hearts of the peoples of China and Korea and serve as a powerful motive force for the constant strengthening and development of Sino-Korean friendship.

The Chinese people, he stressed, will extend their firm support to the just struggle of the fraternal Korean people for the cause of socialist construction and the independent, peaceful reunification of the country.

No intervention and challenge of outside forces can block the road ahead of the Korean people for reunification.

He said that the two peoples should carry forward and develop through generations the cause of Sino-Korean friendship provided by the old proletarian revolutionaries.

Then the floor was taken by O Mun-han, vice-chairman of the Committee for Cultural Relations with Foreign Countries, Kim Chang-yong, vice-chairman of the Central Committee of the League of Socialist Working Youth, and Chu Chin-kuk, director of a department of the foreign ministry.

Photo Exhibit on Friendship

SK0703230490 Pyongyang KCNA in English 1512 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—The Ministry of Culture and Art and the Committee for Cultural Relations with Foreign Countries co-sponsored a photo exhibition on the occasion of the 31st anniversary of the signing of the agreement on cultural cooperation between the Governments of Korea and China.

Exhibited there are more than 130 photographs showing Korea-China friendship which has been sealed in blood in the common struggle for the victory of the cause of peace and socialism and has become unbreakable on the basis of the particular intimacy between the leaders of the two countries as well as the achievements gained by the two peoples in the political, economic, cultural and other fields.

The opening ceremony of the photo exhibition took place here today.

Present at the opening ceremony together with working people in the city were Kim Chae-pong, vice-director of a department of the Central Committee of the Workers' Party of Korea, Cha Pong-chu, vice-minister of foreign affairs, Kwon Hyok-pong, vice-minister of culture and art, and other officials concerned.

Chinese Ambassador to Korea Wen Yezhan and his embassy officials were present on invitation.

The opening ceremony was addressed by O Mun-han, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and Ambassador Wen Yezhan.

The speakers said after the signing of the agreement on cultural cooperation the governments and peoples of Korea and China have steadily developed cooperation and exchange in science, education, culture and art, health service, and sports and other fields.

They noted that this helps promote socialist construction in the two countries and strengthen the bonds of Korea-China friendship.

The expected visit of respected Comrade Jiang Zemin to Korea will be an important historical occasion in strengthening Korea-China friendship and developing it to a new, higher stage, they stressed.

The participants saw the pictures on display.

Tree Symbolizing China Friendship Propagating

SK0803222490 Pyongyang KCNA in English 1509 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—Pinus Deodara (a rare pine tree) is growing in Pyongyang, the capital city, and different areas of Korea.

This tree has propagated to many thousands over the last six years or more after it crossed the River Amnok, the river of friendship, from China, a fraternal neighbour.

When dear Comrade Kim Chong-il paid an unofficial visit to the People's Republic of China in June 1983, China presented 20 Pinus Deodara trees as a gift to him who was making immortal contributions to further consolidating the traditional Korea-China friendship and strengthening and developing it generation after generation.

Comrade Kim Chong-il instructed officials to take these trees to the central botanical garden and adapt them to our country's climate to be propagated.

Korea formed a research group and began scientific researches into their cultivation and propagation and at the same time sent researchers to China to learn experience.

And China sent researchers to Korea to share the experience in the propagation and cultivation of the tree.

Thanks to the tireless efforts of the botanists of the two countries, this tree which grows in the western subtropical woods of the Himalayas was adapted to the climate of Korea and has been rapidly propagated to grow thickly in different areas of mild climate from four or five years ago.

These trees grow more luxuriantly handing down long the sentiments of friendship between the Korean and Chinese peoples.

Kim Il-song Receives Indian Delegation

SK0803115890 Pyongyang KCNA in English 1110 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK], today received the visiting delegation of the Communist Party of India (Marxist) headed by E.M.S. Namboodiripad, general secretary of its Central Committee.

Present on the occasion were Kye Ung-tae, member of the Political Bureau and secretary of the WPK Central Committee, and Kim Yong-sun, director of a department of the WPK Central Committee.

Comrade Kim Il-song had a comradely and friendly conversation with the guests.

He received a gift from general secretary E.M.S. Namboodiripad and gave a gift to the latter in return.

WPK Delegation Leaves 8 Mar for France

SK0803114790 Pyongyang KCNA in English 1106 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—A delegation of the Workers' Party of Korea [WPK] headed by Yi Mong-ho, member of the C.C. [Central Committee], the WPK and chairman of the Committee for Cultural Relations with Foreign Countries, left Pyongyang on March 8 to participate in the convention of the French Socialist Party.

It was seen off at the airport by Kim Chae-pong, vice-director of a department of the C.C., the WPK, and other officials concerned.

Yi Chong-ok Returns From Foreign Visits

SK0703230990 Pyongyang KCNA in English 1518 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—A DPRK party and government delegation headed by Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, flew back home today after visiting Democratic Yemen and Ethiopia.

The delegation was met at the airport by Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice-premier of the Administration Council and Foreign Minister, and Ethiopian Ambassador to Korea Fisseha Geda and Soviet Ambassador to Korea Gennadiy Bartoshevich.

Ethiopian Economic Delegation Arrives 6 Mar

SK0603230890 Pyongyang KCNA in English 1549 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—An Ethiopian Government economic delegation headed by Yosef Muleta, minister of state farms development, arrived in Pyongyang on March 6.

It was met at the airport by Minister of External Economic Affairs Chong Song-nam and Ethiopian Ambassador to Korea Fisseha Geda.

Anniversary of Syrian Revolution Celebrated

Kim Il-song Extends Greetings

SK0703105490 Pyongyang KCNA in English 1023 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on March 7 sent a message of greetings to Hafiz al-Asad, president of the Syrian Arab Republic, on the occasion of the 27th anniversary of the March 8 revolution in Syria.

The message points out that, since the victory of the revolution, the Syrian Arab people have made a big stride in their endeavors to safeguard the country's sovereignty, develop industry and agriculture and build a prosperous new society under the leadership of the Ba'th Arab Socialist Party.

The message wishes the president and the Syrian Arab people greater successes in their struggle against imperialism and Zionism and for the restoration of the occupied Arab lands and attainment of the country's independent development and expresses the conviction that the excellent relations of friendship and cooperation between the two countries will further strengthen and develop.

Nampo Meeting Marks Anniversary

SK0703230590 Pyongyang KCNA in English 1519 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—A meeting was held today at the Kang Pan-sok Political University in Nampo, a port city on the west coast of Korea, to mark the 27th anniversary of the March 8 revolution in Syria.

Attending the meeting were Pak Tong-chun, vice-chairman of the Committee for Cultural Relations with Foreign Countries and vice-chairman of the Korea-Syria friendship association; Yi Tok-chil, secretary of the Nampo municipal committee of the Workers' Party of Korea; and Chong Sun-to, vice-chairman of the Nampo municipal Administration and Economic Guidance Committee; as well as working people in Nampo.

Syrian Ambassador to Korea Yasser Farra and other Syrian guests were present on invitation.

Speeches were made at the meeting, which adopted a letter of congratulations to the president of the Syrian Arab Republic.

Greetings Sent to Bulgarian Leaders 3 Mar

SK0603101990 Pyongyang KCNA in English 1013 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—The Central People's Committee and the Administration Council of the Democratic People's Republic of Korea on March 3 sent a message of greetings to President of the State Council Peter Mladenov and chairman of the Council of Ministers Andrey Lukanov of the Bulgarian People's Republic on the national day of the country.

Expressing the belief that the friendly and cooperative relations between the peoples of Korea and Bulgaria will develop day by day, the message wishes them and the Bulgarian people great success in the work for prosperity of the country.

Ministry Marks Anniversary of Castro Visit

SK0903050590 Pyongyang KCNA in English 0446 GMT 9 Mar 90

[Text] Pyongyang March 9 (KCNA)—The Ministry of Foreign Affairs hosted a party yesterday evening on the occasion of the 4th anniversary of the Korean visit of Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party, president of the Council of State and president of the Council of Ministers of the Republic of Cuba.

Speaking first at the party, Vice-Premier and Foreign Minister Kim Yong-nam said that respected Comrade Fidel Castro visited the DPRK four years ago, adding: In this period, the traditional Korea-Cuba friendship fully demonstrated its invincibility, immortality and vitality all over the world.

Noting that no trial of the revolution can separate the peoples of the two countries, he said: This is firmly guaranteed by the staunch revolutionary principle and obligation of the great leader Comrade Kim Il-song and respected Comrade Fidel Castro and the boundless fidelity of the two peoples to the cause of socialism.

Today, the Cuban people are dynamically advancing along the road of socialism, optimistic about the victory of the revolution in spite of repeated military threats and blockades of the enemies, he said, and stressed:

Cuba, a heroic island, will remain a great "herman" [hermano—brother], imperishable "herman."

Cuban Ambassador to Korea Juan Jose Leon Vega spoke next.

He said: If the imperialists attack Cuba directly, the Cuban people will become thorns which will pierce the throats of all the imperialists.

The Cuban people will adhere to socialism to the last moment and continue to render assistance and support to the peoples of all countries who are struggling for freedom and independence.

He expressed support to the Korean people's cause of national reunification and denounced the U.S. imperialists and the South Korean puppets for staging the "Team Spirit 90" joint military exercises.

The enemy is scheming to keep the Korean peninsula divided forever, but the entire Korean people in the North and the South will demolish the concrete wall and reunify their country on all accounts.

Ugandan President Supports DPRK Unity Plan

SK0703053890 Pyongyang KCNA in English 0524 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—Ugandan President Yoweri Museveni expressed full support to the proposals for national reunification advanced by the DPRK, when he met with the DPRK ambassador to his country on March 3.

Touching on the new proposal for national reunification advanced by President Kim Il-song in his New Year address and the proposal for founding the democratic confederal republic of Koryo, he stressed: These are the most realistic and reasonable proposals.

'Great Quantities' of Raw Materials Saved

SK0703051690 Pyongyang KCNA in English 0507 GMT 7 Mar 90

[Text] Pyongyang March 7 (KCNA)—Industrial establishments in Pyongyang saved last month great quantities of raw materials, fuel and materials including 1,300 tons of coal, 260 tons of rolled steel, 300 tons of cement and 100,000 metres of textiles, while maintaining a high level of production through a powerful drive for increased production and economies.

The Pyongyang Municipal General Bureau of Construction introduced rational structural forms and new building methods in the designing and construction of the dwelling houses and thus saved 240 tons of cement, 60 tons of steel and other building materials and increased the speed of construction last month. The Pyongyang Municipal General Bureau of Garment Industry saved 36,000 metres of textiles and the General Bureau of Textile Industry 6.7 tons of yarn.

The Kim Chong-tae electric locomotive complex, the power transmission line construction company and other industrial establishments introduced technical innovation proposals to save more coal, power and rolled steel.

Increases Reported in Electric Power Output

SK0603050290 Pyongyang KCNA in English 0438 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—Power output is on the increase in Korea.

The power stations across the country produced 120 million more kwh [kilowatt-hours] of electricity in the last one month than in the corresponding period last year.

The gigantic Pukchang thermal power complex has increased the combustion efficiency by between 0.5 and 1 percent and improved the operating method of the generating equipment, thus boosting the power output 12 percent in the last one month as against January.

The Pyongyang thermal power complex far surpassed its February target set 14 percent higher than that in the previous month, and is keeping the same level this month.

In February, the Sunchon and Chongjin thermal power stations lifted output respectively by 23 and 15 million kwh above the previous month.

Hydroelectric power stations of the country are expanding their achievements in March, having overfulfilled their February plan 3.4 percent by raising the efficiency of the water wheels.

First Quarterly Assignments Fulfilled

SK0603101190 Pyongyang KCNA in English 1005 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—Industrial establishments in various domains of the national economy of Korea are carrying out their first quarterly assignments ahead of the set time through a dynamic drive for increased production and economies.

27 platoons of the Komdok mining complex had honored their first quarterly commitments as of February 20. Some platoons of the complex completed the quarterly quotas in a month.

The November 4 Geological Survey Corps of the South Hamgyong Provincial General Bureau of Coal Industry, the Tongdaewon garment factory, the Tanchon Chongnyon railway station, the Changyon disabled soldiers' pharmaceutical factory and the Wiwon forestry station hit ahead of schedule the first quarterly targets set far higher than the last year's.

First quarterly targets for exports were hit by the Kaesong embroidery export factory, the Hadang garment factory and other industrial establishments.

The industrial establishments in various domains fulfilled their quarterly commitments while saving much

raw materials, fuel and materials by introducing valuable technical innovation proposals and rational method into production.

Railway for Tourists Under Construction

SK0803222590 Pyongyang KCNA in English 1500 GMT 8 Mar 90

[Text] Pyongyang March 8 (KCNA)—An Anbyon-Mt. Kumgang railway line is under construction in Korea.

Mt. Kumgang is a famous mountain of scenic beauty presenting myriads of natural scenes with its 12,000 peaks of fantastically shaped rocks, mysterious valleys, many falls and special plants. The new line stretching more than 100 kilometres from Anbyon to Onjong-ri, Kosong County, Kangwon Province, along the east sea coast will offer conveniences to the rapidly increasing tourists to the mountain.

And it will provide favourable conditions for the economic development of the country and improvement of people's livelihood by fully solving the transport problem in this area.

It is not an easy project as it involves the construction of many iron bridges, tunnels, small structures and ten odd railway stations.

The builders have completed in the main the building of roadbed in the whole section and construction of several iron bridges in a short period.

The construction of tunnels, bridges, structures and railway stations is progressing fast in many areas.

An energetic work has been going on in recent years to build up the beauty spots in Kangwon Province including Mt. Kumgang into more splendid tourist resorts.

The Anbyon-Mt. Kumgang railway project is part of this work.

Advances Reported in Shallow-Sea Cultures

SK0603224790 Pyongyang KCNA in English 1511 GMT 6 Mar 90

[Text] Pyongyang March 6 (KCNA)—Big efforts are directed to shallow-sea culture in Korea which has many favorable culture farms.

The area of the mussel farm has been increased 16 times over the last three years nationwide.

And the area of the sea tangle farm has expanded 2.9 times and the laver farm 1.5 times in a five year period.

Thus the proportion of cultivated sea food has markedly increased in the aquatic products.

Now sea tangle, undaria pinnatifia, laver, mussel, scallop, oyster, etc. Are grown on the east and west coast culture farms.

Shallow-sea culture this year is better than last year on the whole.

Now the culture farms are tended with good care. The amount of the thinned out sea tangle in the last two months is 2.3 times that in the same period last year on the west coast culture farms including Pupo, Kumipo and Ongjin.

Meanwhile, the picking of cultured sea food is being accelerated. The mussel output over the last two months was 1.9 times the same period last year nationwide. The laver output has also gone up. The kinds of cultured products and the area of the culture farms will be increased in the future.

South Korea

Soviet, German Reporters Visit 'Concrete Wall'

SK0903135790 Seoul YONHAP in English 1347 GMT 9 Mar 90

[Text] Seoul, March 9 (OANA-YONHAP)—A group of fifty domestic and foreign reporters, including Tokyo-based Soviet and East German correspondents, visited Friday [9 March] the southern side of the Military Demarcation Line in the central frontline to see if there really exists a "concrete wall" as claimed by North Korean leaders.

The controversial concrete structure, which North Korea denounces as barriers to check Koreans from traveling freely, was disclosed for the first time to two communist journalists, Vladimir Kouchko, chief of the Soviet TASS news agency's Tokyo Bureau, and Rainer Kohler, a Tokyo correspondent of the East Germany's ADN news agency.

Kouchko, showing high interest in the concrete structure, which the South says is nothing but anti-tank barriers, asked why the South built up such barriers 25 years after the Korean war if they are really meant to resist North Korean tanks. He asked so when South Korean Army officers explained that the barriers were built in 1978.

The officers said the North Korean Army strengthened its armored forces to a substantial extent in 1970s. They said the anti-tank barriers were built on the suspected tank routes near the Demilitarized Zone.

Asked to comment on the concrete structure, Kouchko declined to make any judgement, saying, "I'm not in a position to comment."

The debate over the purpose of the concrete structure began in January when North Korean President Kim Il-song called for the dismantling of a "concrete wall" South of the Demilitarized Zone in his New Year speech.

Kim's call was echoed by Soviet Foreign Minister Eduard Shevardnadze in mid-February when the Soviet leader touched on the problem of the "Korean wall" in a

press conference. Shevardnadze, speaking in a news conference at the end of a visit to Moscow by U.S. Secretary of State James Baker, stressed the need to "break down the Korean wall."

Daily on U.S. Embassy's Use of Yongsan Base

SK0903104190 Seoul KYONGHYANG SINMUN in Korean 9 Mar 90 p 1

[Text] At a time when negotiations are under way between the ROK and U.S. Governments to revise the Status of Forces Agreement [SOFA], it has been revealed that the U.S. Embassy in Korea has been using a part of the U.S. 8th Army Base compound in Yongsan, Seoul, without due notice to the ROK side. This has been done in violation of the SOFA, and, accordingly, this fact has become another pending issue between the two countries.

According to a diplomatic source quoted on 9 March, the U.S. Embassy has illegally built houses and various other facilities and installations on the ground of approximately 80,000 pyongs [one pyong equals 3.954 square yards] in the south post area, out of a total area of 1 million pyongs for the U.S. military base in Yongsan, and has been using them for U.S. employees and their dependents.

It has been learned that on this 80,000 pyong-wide area there are about 100 buildings, including houses for U.S. Embassy employees and their dependants, the club for U.S. diplomats, car repair shops, and other facilities for the embassy, and that most of the U.S. Embassy officials who are councilor-level and below reside in this area.

The U.S. Forces in Korea have utilized facilities and grounds in Korea in accordance with the regulations stipulated in Paragraph 2 of the SOFA, which was concluded in 1966 according to Paragraph 4 of the ROK-U.S. Mutual Defense Treaty. However, Paragraph 1 of the SOFA stipulates that the scope of using facilities and grounds in Korea for U.S. forces is limited only to active-duty military men of the U.S. Army, Navy, and Air Force in Korea.

Disclosing that "the SOFA bans even U.S. military soldiers assigned to the U.S. Embassy from using the U.S. military base area," diplomatic experts said that "accordingly, such a fact clearly constitutes a violation of the SOFA—it is inconceivable and runs counter to diplomatic usage that officials of a foreign embassy should reside in a military base located in their host country."

After confirming this fact in the course of its negotiations with the U.S. side for a revision of the SOFA—negotiations which have continued since December 1988—the Foreign Ministry sent official letters to the U.S. Embassy side on several occasions, calling on it to rectify this situation. It has been learned, however, that the U.S. Embassy side has been evading taking concrete measures on this issue, while saying that "it would study this issue on a legal basis."

It seems that the illegal use of the Yongsan base by the U.S. Embassy would have a great effect not only on the ongoing ROK-U.S. negotiations for a revision of the SOFA—which is said to be an inequal agreement—but particularly on the ROK-U.S. negotiations on the issue of the ROK Government's sharing of defense expenses for U.S. Forces in Korea, as well as expenses for the relocation of the Yongsan base.

In the ROK-U.S. defense ministers' conference in Seoul on 16 February, the U.S. side asked the ROK side not only to bear the wages to be paid to Korean employees working in U.S. units in Korea—which amount to as much as $380 million—but also to increase its share of the defense budget for U.S. Forces in Korea from the present $300 million to $600 million, as well as paying for the expenses for the relocation of the Yongsan base.

South, U.S. Consider Easing Cocom Regulations

SK0903073190 Seoul YONHAP in English 0710 GMT 9 Mar 90

[Text] Seoul, March 9 (YONHAP)—South Korea and the United States are to consider reducing the number of strategic items that cannot be shipped to communist nations under regulations adopted by the Coordinating Committee for Export to Communist Areas (Cocom).

An official at the Foreign Ministry said Friday [9 March] the two governments are closing their views and the control of strategic exports to the communist bloc could be eased because of the recent changes in Eastern Europe. The issue will be taken up at the second South Korea-U.S. strategic trade control consultation meeting in Washington on March 13-14, said the official, who refused to be identified.

South Korea is not a Cocom member, but under the memorandum of understanding signed September 1987, Seoul and Washington consult on the matter and are working on a list of strategic commodities and technical data that South Korea will be banned from exporting to communist-bloc nations.

"At present, there are few Korean products on the Cocom list and the shortened list will have little effect at first, but in the long run it could be a great help to Korean businessmen," the official said.

Korean firms are reaching out to Eastern Europe on the strength of a government drive called "northern policy" as well as the sweeping reforms in the area.

At the working-level talks, the Seoul-side will unveil its plan to implement import certificate and delivery verification systems on strategic materials imported from the United States in the first half of the year to prevent them from being shipped to communist areas. Korea will

also announce the introduction of a government export permission system for strategic goods by the end of this year at the talks.

Officials from the Foreign, Defense, and Trade and Industry Ministries will be included in the Korean delegation to the talks, which will discuss ways to simplify procedures for U.S. exports to Korea and accelerate U.S. technological transfer to Korea.

The Seoul delegation will be headed by Pak Sang-ki, director of Foreign Ministry's International Trade Division, and the U.S. delegation will be led by Howard Krawitz, director of the State Department's Office of East-West Trade.

Seoul Shifts Position on Blame for Conflict

SK0903101890 Seoul YONHAP in English 1007 GMT 9 Mar 90

[Text] Seoul, March. 9 (YONHAP)—The South Korean Government, in a major shift in the direction of ideological education, has forged new guidelines that call for a "forward-looking and balanced" approach to reunification and ideological issues, a spokesman at the National Unification Board said Friday [9 March]. He said the ministry has distributed a manual to governmental and private institutes and educational organizations for use as a guide in ideological and reunification education.

In one section, the manual suggests that responsibility for division of the Korean peninsula should be given more balanced consideration and be attributed equally to the Soviet Union and the United States. This is a basic shift in the government's position, which had mostly been to blame the Soviet Union for Korea's division.

The Korean peninsula was divided at the end of World War II in 1945 when Soviet troops advanced into the area above the 38th parallel and U.S. forces took the southern half to disarm the Japanese colonial army.

The manual also suggested that the background of Korea's division be explored on the basis of a comprehensive review of such elements as the confrontation between national and leftist forces at the time, the character of the division, the process of creation of the South and North Korean governments along with U.S. and Soviet responsibility for the division. And it suggests that reunification education be carried out independent of partisan interests and that basic conditions for the process of reunification be objectively and freely discussed.

Inter-Korean Cooperation Fund To Be Established

SK2202124590 Seoul YONHAP in English 1229 GMT 22 Feb 90

[Text] Seoul, Feb. 22 (YONHAP)—South Korea's Cabinet passed Thursday [22 February] a bill on the establishment of a fund for supporting inter-Korean cooperation, laying a groundwork for financial backup of exchanges, especially in economic field, between the divided halves.

The bill stipulates that the cooperative fund be established with money from the government donations, long-term credit and public bonds and managed by the national unification minister. The bill also regulates that major policies regarding the use of the fund be approved in advance by the Committee for the Promotion of South and North Korean Exchange and Cooperation, a government-sponsored body.

A government source said the scale of the fund has not been decided, but Deputy Prime Minister Cho Sun earlier said it will be around 200 to 300 billion won (290 million to 435 million U.S. dollars) at an initial stage.

Government To Ease Rules for Communist Contacts

SK0103025690 Seoul YONHAP in English 0246 GMT 1 Mar 90

[Text] Seoul, March 1 (OANA-YONHAP)—The South Korean Government has decided to ease regulations on exchanges and cooperation with communist nations to accelerate improvements in ties.

Foreign Minister Choe Ho-chung and officials from 12 ministries agreed Wednesday to relax provisions in the "Basic Guidelines for Exchanges and Cooperation With Northern Countries," which oblige South Korean citizens to submit reports on trips to communist countries with which South Korea does not have official relations. They also agreed to relax the conditions for government approval to invite a citizen of a communist nation having no diplomatic relation with Seoul. The revision was agreed upon because the Seoul government is rapidly enhancing relations with many communist countries.

Poland and Yugoslavia, which have recently normalized their relations with South Korea, will no longer be listed as countries for which the guidelines are normally applied. Czechoslovakia and Bulgaria are expected to be removed from the list as soon as diplomatic ties are set up, leaving 10 countries on the list—the Soviet Union, China, East Germany, Romania, Albania, Mongolia, Vietnam, Laos, Cambodia and Cuba.

Companies Seek Projects in USSR, China

SK0703064490 Seoul YONHAP in English 0626 GMT 7 Mar 90

[Text] Seoul, March 7 (OANA-YONHAP)—South Korean companies are engaged in consultations with

China and the Soviet Union on contracts for 12 construction projects, the Construction Ministry reported to the National Assembly on Wednesday. Talks are under way on four projects in China and eight in the Soviet Union, but no action is expected for a considerable time because of rigid bureaucracies and lack of investment guarantees, the report said.

In China, Daewoo is in contact with Chinese interests that want to build a hotel in Shanghai and Lucky is talking to others about constructing a color television factory in Zhuhai Special Economic Zone.

Kuk-Tong Construction Co., Lucky Development Co., Youone Construction Co. And Samwhan Corp. have joined forces to bid on a project to construct the infrastructure for a new Hong Kong in Hainan Island and Sunkyong Engineering and Construction Co. is seeking to build an acetate fiber factory in Chiangsu Province.

In the Soviet Union, Hyundai Engineering and Construction Co. is seeking to win a contract to erect a trade center in Nakhodka, Samwhan Corp. to build a deluxe hotel in Khabarovsk, Ssangyong Corp. a hotel and office buildings in Moscow, Daewoo a sugar warehouse in Nakhodka, Lucky Development Co. houses, Samsung to repair the sports hotel in Moscow and Kuk-Tong a hotel in Nakhodka.

Although it is risky to invest in China and the Soviet Union, with which South Korea has no diplomatic ties, the construction markets have great potential because of the room for development and the 12 projects should be pursued in a far-sighted and careful manner with investment conditions and means of payment seriously examined, the ministry said.

Yonsei, Soviets Sign Exchange Agreement

SK0703015290 Seoul YONHAP in English 0144 GMT 7 Mar 90

[Text] Seoul, March 7 (OANA-YONHAP)—Seoul's Yonsei University and Moscow State University will exchange five professors and six students with each other next month under an academic exchange agreement. Anatoliy Logunov, rector of the Soviet University, and Yonsei President Pak Yong-sik agreed to exchange the same numbers of professors and students every year during a meeting here Tuesday to sign a memorandum on implementation of the agreement.

Under the exchange program, students can choose to study for one semester (four months) or one school year (10 months), while the professors will stay for one school year. The agreement, which was contracted in October 1989, calls for the two universities to cooperate in exchanges of faculty members and students, joint research projects, conferences and exchange of research materials for the next five years.

Logunov, who left for home Wednesday after a 10-day visit, was accompanied by Pro-Rector Vladimir Tropin, Deputy Pro-Rector Sergey Zimenko and Viktor Matveyev, director of the university's nuclear research institute.

The exchange program is expected to be popular as interest in the Soviet Union is soaring and Yonsei has recruited the first students for its Russian Literature and Language Department, said a Yonsei official.

Seoul-Moscow Air Route To Open 31 March

SK0703114290 Seoul YONHAP in English 1135 GMT 7 Mar 90

[Text] Seoul, March 7 (YONHAP)—A Korean Air (KAL) jumbo jet will leave here on March 31 for Moscow to inaugurate the regular flight service between Seoul and the Soviet capital, KAL officials said Wednesday [7 March].

The KAL Flight 913 will leave the Kimpo International Airport at 8:40 P.M., KST, and arrive at Moscow at 2:15 A.M. the next day, Moscow time, after a nonstop flight for 11 hours and 35 minutes. The Flight 913 will transport about 40 aviation-related officials and common passengers from Seoul and Moscow. After embarking passengers at the Moscow Airport, it will fly to Zurich, Switzerland, via Amsterdam.

The Seoul-Moscow route is the first regular air route to open between South Korea and a communist country. Seoul established consular-level ties with Moscow last year and hopes to establish full diplomatic relations at an early date.

KAL also plans to reroute its west Europe-bound flights so as to pass through the Soviet air space from March 25 and make technical landings at the Moscow Airport for refueling and maintenance from March 27. The new route will reduce the flying time of the KAL jetliners by about four hours. KAL now flies to nine West European cities, including Paris, Frankfurt, London and Zurich via Anchorage, Alaska.

The opening of the regular flight services was in accordance with a commercial agreement concluded between KAL and the Soviet airline, Aeroflot, in Moscow Feb. 12-14.

Meanwhile, the first arrival in Seoul by an Aeroflot plane will be made on March 30, according to visiting Aeroflot officials. The officials, who flew into Seoul Wednesday, said the Aeroflot's flights will be made twice a week on two different routes. One of the two routes will be connecting Moscow with Seoul via Khavarovsk, they said. The other is likely to link the Chinese city of Shanghai, according to earlier newspaper reports here.

KAL also hopes to operate another flight via Shanghai pending an agreement with China. The Soviet Union has reached agreement with Chinese authorities on its flight from Seoul to Moscow via Chinese cities but Korea is yet to make an accord with China to enable KAL to fly the Chinese airspace.

The Aeroflot officials will discuss with Korean authorities on the opening of an office at the Kimpo airport and other matters concerning the operation of the flight.

Denial of Tokyo-Pyongyang-Seoul-Beijing Route

SK2702055290 Seoul YONHAP in English 0539 GMT 27 Feb 90

[Text] Seoul, Feb. 27 (YONHAP)—The Transportation Ministry denied Tuesday [27 February] a report that South Korea will sound China out on the creation of an air route originating in Tokyo with stopovers in Seoul and the North Korean capital of Pyongyang.

The CHUNGANG ECONOMIC DAILY reported Tuesday that the government is seeking a Tokyo-Beijing air route via South and North Korea.

CHUNGANG said the Chinese Government had been reluctant to establish the route because it was anxious about the response of North Korea.

A Ministry spokesman confirmed that Korean Air has asked China to approve a Seoul-Beijing service to replace its Seoul-Shanghai route, but said the Ministry has never considered proposing that China inaugurate Tokyo-Seoul-Beijing flights via the North Korean capital.

Asiad Task Force To Handle Games Issues

SK2702042190 Seoul YONHAP in English 0301 GMT 27 Feb 90

[Text] Seoul, Feb. 27 (YONHAP)—South Korea, in the belief that an important turning point in its relations with China will be created on the occasion of the Beijing Asian Games, has set up a task force, government sources said Tuesday [27 February].

The team of director-general-level officials from the Economic Planning Board, National Unification Board, and Foreign and Sports Ministries met for the first time last week to discuss measures in connection with the games, slated for Sept. 22-Oct. 7.

Prominent on the agenda was a request by the Beijing Asian Games Organizing Committee (BAGOC) for technical support in the telecommunications and computer fields, the sources said. Members were also assigned areas of responsibility.

The Economic Planning Board will work out ways to increase economic cooperation with China. The Foreign Ministry will be responsible for protecting athletes, officials and tourists, recommending attaches to the Asiad and helping BAGOC organize the games.

Seoul's hosting of the Asian Games four years ago has been credited with paving the way for growing exchanges with Beijing.

The National Unification Board will devise guidelines on contacts with North Koreans and Chinese-Koreans during the asiad. And the Sports Ministry will handle such matters as dispatching high-level officials to Beijing, participation in an international sports and science meeting and how many Koreans will be allowed to attend the games as spectators.

A ranking official at the Foreign Ministry said the task force is necessary for coordination and cooperation so the ministries can settle problems caused by the lack of diplomatic ties between Seoul and Beijing. He cited the dispatch of consular officials to Beijing to assure the safety of the Korean delegation and tourists, the dispatch of attaches, the chartering of a jetliner, the preparation of accommodation for Koreans and the provision of financial assistance and computer technology. China has asked for technical support for computerization of the games management through various channels and the government is positively considering the request for the sake of bilateral relations, he said. He said the Beijing Asiad could be an opportunity for Korea to advance the establishment of diplomatic relations with China.

Korean Envoy Sees SFRY as East-West 'Bridge'

SK0203045890 Seoul THE KOREA HERALD in English 2 Mar 90 p 2

[Text] The special position of Yugoslavia as a "bridge" between Eastern and Western Europe as well as a leader of the nonaligned movement will help Korea broaden the scope of its diplomacy, Sin Tu-pyong, the first Korean ambassador to Belgrade, has said. As the two countries entered into diplomatic relations last year, he said, what is important from now on is how they develop the relations to mutual benefit in political, economic, social, cultural and other fields.

Sin, who was director-general for American affairs at the Foreign Ministry until recently, said he believes a desirable relationship is possible when the people of the two countries better understand each other through frequent contacts.

"I will put special emphasis on cultural and arts exchanges as both of the countries happen to be renowned for their long traditions and abundant culture," the ambassador told The Korea Herald. He said he will also stress helping the Yugoslavians, who have had contacts with only north Koreans, to have a correct understanding of Korea.

Sin said Yugoslavians have a special interest in Korea's experience in economic development and want to share the experience.

Korean firms also show interest in advancing into the country. Following Samsung which opened an office in Belgrade Jan. 20 this year, Lucky-Gold Star, Ssangyong, Hyundai and other smaller companies are planning to set up offices there soon. "What the government should do is to set up a framework and provide institutional support to facilitate these changes," the envoy said.

Sin said negotiations are under way between Seoul and Belgrade for conclusion of bilateral agreements on waiving visas and investment protection. He will also study the possibility of signing an agreement on aviational cooperation when he gets to Belgrade, which the Yugoslavian government also offered.

The ambassador did not expect much difficulty performing his duties in Belgrade. He said he has some acquaintances among the diplomats residing there.

North Korea maintains a large mission in the Yugoslavian capital, considering the importance of the country in its diplomacy toward nonaligned countries.

"I will also try to promote exchanges with the north Koreans when chances arise," he said. He said the south Korean Embassy in Belgrade is temporarily located inside the Intercontinental Hotel in downtown Belgrade.

The Yugoslavian government is also expected to open its embassy in Seoul soon, to become the second diplomatic mission from socialist countries in Seoul.

A graduate of Yonsei University, Amb. Sin is known as a specialist in American affairs inside the Foreign Ministry for his extensive service in the area. He received a master's degree in international relations from Harvard for his study on nuclear strategy of the United States and the Soviet Union. He was also a research fellow at the Center for Science and International Affairs of Harvard from 1982-1983.

Sin left Seoul for Belgrade Tuesday.

ROK-Bulgaria Economic Cooperation Panel Meets

SK0703020290 Seoul YONHAP in English 07047 GMT 7 Mar 90

[Text] Seoul, March 7 (YONHAP)—The South Korea-Bulgaria Economic Cooperation Committee, in its first meeting, Tuesday afternoon called for bilateral cooperation in joint ventures, direct investments, transfer of technologies, markets in third countries and the financial and capital areas.

The committee, made up of the International Private Economic Council, Korea's government-authorized private channel for trade with communist nations, and the Bulgarian Chamber of Commerce and Industry, also agreed to do its utmost to organize exchange visits in the investment and business areas, seminars, symposia, and participation in fairs and exhibitions.

The next meeting of the committee is to be in Bulgaria in 1991.

Firms Asked To Help Build Spa

SK0803025890 Seoul YONHAP in English 0238 GMT 8 Mar 90

[Text] Seoul, March 8 (YONHAP)—Bulgaria has invited South Korean companies to help develop a local spa into a resort complex, a business source said Thursday.

Vladimir Lambrev, president of the Bulgarian Chamber of Commerce and Industry, visiting Seoul to participate in the first meeting of the Korea-Bulgaria Economic Cooperation Committee, called for Korean businesses to invest in Rilski Manastir, an area 67 kilometers south of Sofia, said the source who asked to be anonymous.

Lambrev said the area is a good site for a resort because it has a sulphur spring and nice conditions for skiing, he said. Lambrev proposed that Korean firms build a 100-bed hotel, tourist shops and facilities for skiing, according to the source. The Korea-Bulgaria committee issued a joint communique on mutual cooperation in various fields including tourism after its session Tuesday.

Goldstar Concludes Deal With Bulgarian Panel

SK0903055790 Seoul YONHAP in English 0353 GMT 9 Mar 90

[Text] Seoul, March 9 (YONHAP)—South Korea's Goldstar Co. and Bulgaria's Isotimpex foreign trade organization have agreed in principle to conclude a deal valued at 30 million U.S. dollars.

Under the agreement, Isotimpex will buy 100,000 video cassette recorders and 50,000 color television sets a year from Goldstar, a spokesman for Goldstar said Friday.

A member of the Bulgarian company was on the mission led by Vladimir Lambrev, president of the Bulgarian Chamber of Commerce and Industry, that participated in the first meeting of the Korea-Bulgaria economic cooperation committee here March 6.

KDB Plans To Open Liaison Office in Budapest

SK2602032690 Seoul YONHAP in English 0303 GMT 26 Feb 90

[Excerpt] Seoul, Feb. 26 (YONHAP)—Korea Development Bank (KDB) will boost overseas loans over 300 percent this year and open a liaison office in Budapest next month, making it the first South Korean bank to set up a bureau in Eastern Europe, according to a report released Monday [26 February].

KDB President Yi Tong-ho, in a report to Finance Minister Yi Kyu-song, said the state-run bank has set aside 200 million U.S. dollars to participate in international syndicated loans this year, up 334 percent from 84 million dollars last year.

KDB hopes to increase loans particularly to East-Bloc nations as well as Canada and the European Community, Yi said. He said KDB is to open a liaison office in Budapest in late March to clear a way to branch out in Eastern Europe. KDB currently has four branches and nine liaison offices worldwide. [passage omitted]

Hungary 'Would Welcome' Korean Investment

SK0603060490 Seoul YONHAP in English 0546 GMT 6 Mar 90

[Text] Budapest, March 6 (YONHAP)—Hungary would welcome South Korean investment in its 50 major companies, Trade Minister Beck Tamas told a group of visiting Korean reporters Monday afternoon. A foreign company can take up to a 50 percent stake in a Hungarian firm without government approval if it reports the investment, Tamas said.

The government exempts foreign firms owning less than 30 percent of a Hungarian plant from taxes for five years, he said.

Samsung Electronics Hungarian Co., a joint venture established by Korea's Samsung Electronics Co. and Hungary's Orion Radio and Electrical Works, has made good progress despite the short history of economic relations between the two nations, he said, calling on Korean firms to sharply increase their investment in Hungary.

Hungary has reached an accord with the Soviet Union and Poland for the U.S. dollar to replace the Soviet ruble as the currency for settlement of trade accounts in trade between Hungary and the two countries from January 1991, he said.

Hungarian Communications Minister Begins Visit

SK0603093690 Seoul YONHAP in English 0846 GMT 6 Mar 90

[Text] Seoul, March 6 (YONHAP)—Andras Derzsi, the Hungarian transportation, communication and construction minister, began a three-day visit to South Korea on Tuesday afternoon as a guest of Communications Minister Yi U-chae. Yi and Derszi will meet Wednesday to discuss ways for Korean companies to participate in the modernization of Hungary's telephone switching system.

Samsung Electronics Co., a subsidiary of the Samsung business group, is to bid in mid-March on a contract to supply a Hungarian company with 40,000 circuits for a central office switching system. Samsung and Hungary's Orion Radio and Electrical Works exchanged notes last month on joint participation in the switching system. If their tender is accepted, the two companies have agreed to set up joint venture to train telephone operators.

Samsung also reached an accord last month with Controll Co. of Hungary to cooperate in the telecommunications field, including joint production of a private automatic branch exchange.

Hungarian Students Arrive To Attend University

SK0703022690 Seoul THE KOREA HERALD in English 7 Mar 90 p 3

[By staff reporter Cho Un-kyong]

[Excerpts] A group of four Hungarian students came to Seoul yesterday to study at a Seoul university under a student exchange program between the university and the Technical University of Budapest. The four, 24 to 26 yrs. of age, are undergraduate students at the Hungarian university, which set up sisterhood relations with Tanguk University in February last year.

It marks the first time that Hungarian students have come to Korea under a bilateral exchange program, a Tanguk spokesman said. [passage omitted]

Korea, which established full diplomatic relations with Hungary Feb. 1 last year, sent two government-sponsored students to Lorand Eotvow University in Budapest last September.

One Hungarian student has been learning the Korean language at Seoul National University with a scholarship provided by the Korean government.

Korea To Send Missionaries to East Bloc

SK2802012490 Seoul THE KOREA HERALD in English 28 Feb 90 p 9

[Excerpt] Korea will send Christian missionaries to East-bloc nations this summer. According to the Korean Foreign Harbor Evangelical Mission, Korean missionaries will be working in such East-bloc nations as the Soviet Union and Yugoslavia.

About 100 prospective members of the mission have been undergoing training that includes studies of languages and culture, the Rev. Chong Chin-kyong said recently. They will join other missionaries from West European countries, but will serve mostly Korean communities initially in those countries, he said.

The overseas evangelical mission said it has received approvals from those East European countries for their Christian projects. The Korean evangelical mission plans to establish permanent overseas offices in those countries in the future, said the Rev. Chong in explaining the mission's plans. [passage omitted]

Korean Firms To Participate in Vietnamese Fair

SK0103013290 Seoul YONHAP in English 0106 GMT 1 Mar 90

[Text] Bangkok, March 1 (YONHAP)—Sixteen South Korean companies, including the state-run Korea Trade

Promotion Corp. (KOTRA), are to participate in an international trade fair in Ho Chi Minh City, Vietnam, April 28 through May 7, officials of the South Korean Embassy here said Thursday. It will be the first time a Korean firm has exhibited its products in Vietnam since the end of the Vietnam war in 1975, when diplomatic relations between Seoul and Saigon were severed.

Korea dispatched a joint private-government mission comprising representatives of nine private enterprises, the Economic Planning Board and the Foreign Affairs and Trade-Industry ministries to a Vietnamese fair in autumn last year, but only as observers.

KOTRA, Samsung, Hyundai, Daewoo and Lucky-Goldstar will put their major products on show and have active contacts with Vietnamese officials on the feasibility of expanding mutual trade and investment in the Southeast Asian country.

The spring fair is expected to attract 130 firms from eight countries and 100 Vietnamese businesses.

Failure To Reach Agreement on Koreans in Japan

SK2702085890 Seoul YONHAP in English 0744 GMT 27 Feb 90

[Text] Seoul, Feb. 27 (YONHAP)—South Korean and Japanese officials fell short of a concrete agreement on the status of third-generation Koreans living in Japan, but agreed Tuesday [27 February] on the need to settle their biggest outstanding diplomatic issue in time for President No Tae-u to visit Tokyo in the first half of the year.

In a one-day session here to discuss automatic granting of permanent resident status to the third-generation Koreans, it was agreed to make efforts to settle the question prior to No's scheduled visit to Tokyo. The negotiations are based on the consensus that "unfortunate past vestiges should be cleared up at an early date for further promotion of friendly relations," a Foreign Ministry official present at the meeting said.

Tens of thousands of Koreans were drafted by Japan for forced labor and military service during Japan's occupation of the Korean peninsula (1910-1945).

Another round of high-ranking officials' talks will take place in Tokyo in late March and a solution to the issue will also be sought during bilateral foreign ministers' talks in April, according to the official.

During the Tuesday meeting, the Japanese-side expressed a forward-looking attitude on settling the issue and hinted that Tokyo will consider ways to give third-generation Koreans a more stable status than their parents and grandparents, who hold permanent residence status under a bilateral accord signed in 1965. The 1965 accord stipulated that the question of third-generation Korean nationals was to be settled before January 1991 but little progress has been made since talks started in late 1988.

On Tuesday, the two sides failed to narrow their differences over a definition of third-generation Koreans and anti-Korean discrimination, known here as "the four vicious practices." The practices, which apply equally to all foreigners living in Japan, are the fingerprinting of resident Korean nationals, making them carry identification cards, requiring them to get a re-entry visa before going abroad and deporting them if they are convicted of a crime. Other questions taken up at the meeting include the removal of discrimination in employment and a guarantee of political rights.

The Japanese-side said it would be hard to fully accept Seoul's demands that discrimination be eradicated since other foreigners resident in Japan should receive equal treatment while other demands run counter to Japanese laws.

Seoul insisted on ironing out those issues before No's Tokyo trip, which was postponed twice last year because of the death of Emperor Hirohito and Japan's political situation.

Earlier this month, No directed the Foreign Ministry to solve the issues in an early date and hinted his visit might be put off again unless the outstanding issues were solved.

Kim Chong-ki, director general of the Foreign Ministry's Asian Bureau, and his Japanese counterpart, Sakutaro Tanino, represented their nations in the negotiations.

Relatives of Korean WWII Dead To Sue Japan

SK0203061490 Seoul YONHAP in English 0526 GMT 2 Mar 90

[Text] Seoul, March 2 (YONHAP)—An association of relatives of South Koreans killed in World War II has announced it will sue the Japanese Government for compensation. Japan drafted Koreans into its Army during the war, at which time Korea was a Japanese colony.

The lawsuit will be filed by Aug. 15 in cooperation with a Tokyo-based private organization, Yang Sun-im, a member of the Board of Directors of the Association for Bereaved Families of Victims of the Pacific War, said Friday. She refused to name the Japanese organization. The date was chosen because it is liberation day in Korea.

Yang said the association will also ask the Japanese Government to take steps to identify the remains of Korean draftees and return them. The organization has already begun fund-raising and collecting written materials regarding the Korean victims and will soon appoint legal counsel from Korea, Japan and other countries, Yang said.

She said the Japanese Government is guilty of war crimes, has avoided responsibility for Korean war dead and has refused to apologize for the damage inflicted on Koreans since the end of World War II in 1945.

The amount of compensation the association will seek will be decided after reviewing international practices on compensation for war damages, but it will reflect compensation paid under Japanese laws, Yang said. The association, which is not recognized by the government, claims more than 6 million Koreans were drafted as soldiers or workers during the war and at least 440,000 of them were killed and 1.6 million injured. According to a report published by the Japanese Justice Ministry in 1987, over 242,000 Koreans were killed or injured fighting for Japan from the 1930s to 1940s. Japan ruled Korea from 1910 to 1945.

Tokyo handed Seoul the names of 21,919 Koreans who were killed in the war when the two countries normalized their relations in 1965. Korea was given 300 million U.S. dollars to satisfy claims for reparations at that time. But human rights and nationalistic organizations as well as relatives dismiss the amount as insufficient and consistently demand more compensation.

Yang denounced the Japanese Government for rejecting the demands on the grounds that the compensation problem was settled in the 1965 accord, which the association does not recognize.

"There is no country except Japan that totally avoids all responsibility for war victims," she said.

Completion of Iranian Power Plant Considered

SK0203014090 Seoul THE KOREA TIMES in English 2 Mar 90 p 8

[Text] Korea is cautiously looking at the possibility of participating in a reconstruction project of an atomic power plant in Iran, abandoned by a West German company due to the Iran-Iraq War. Tehran asked Korea to complete the construction of the abandoned Bushehr nuclear power plant in late January, when a high ranking official from the Atomic Energy Organization of Iran visited Seoul, the Korea Power Engineering Co. (KOPEC) said yesterday.

KOPEC, a subsidiary of the Korea Electric Power Corp., said a survey team of nuclear technicians was sent to Iran last week to make a feasibility study. KOPEC is learned to be taking a positive view of participation in the reconstruction project on the ground that its nuclear technology, accumulated since Korea's first nuclear unit came on stream in 1978, is sufficient to complete the Bushehr power plant.

KOPEC, an engineering company for nuclear power plant projects, is to decide whether to take over the project soon, based on the survey result, a KOPEC official said.

The 1.2 million kilowatt nuclear unit, for which ground was broken in 1976, was 70-80 percent completed when construction was suspended in 1980 by West German company, KWU (Kraftwerk Union). It was badly damaged by an air raid in the Iran-Iraq War.

If Korea is to take over the project, it will become the first shipment of Korea's nuclear technology abroad. But officials are not optimistic about the survey result and say Korea may have to run the risk of suffering losses from the project, pointing out that a world-famous nuclear company, like KWU, abandoned the project.

At the heart of the controversy on the way to agreement between Korea and Iran surrounding the project are Iranian payment of the construction costs and the political situation in Iran, they say. "Extensive negotiations will be needed between the two countries to resolve these problems. We will present proper demands to the Iranian side in connection with the project and if the Middle East country accepts our demands, we will participate in the project," a KOPEC official said.

After the cease-fire of the Iran-Iraq War last year, Iran asked KWU to complete the abandoned project but both sides failed to reach an agreement as the West German company demanded huge construction fees, equivalent to the building of a new nuclear power station.

In a bid to upgrade the nation's nuclear technology, KOPEC began to participate as a subcontractor in the design engineering of the nation's fifth nuclear power plant and has been transferred nuclear technology from prime contractors such as Westinghouse and Combustion Engineering of the U.S. and Framatome and Alsthom of France.

Meeting Held With Spain on Cooperation

SK2302023490 Seoul THE KOREA TIMES in English 23 Feb 90 p 2

[Text] High-level Korean and Spanish Foreign Ministry officials reviewed regional and bilateral situations and discussed ways to step up cooperation in political, economic and cultural sectors in a meeting at the Foreign Ministry yesterday.

In the second Korea-Spain political consultative meeting, Fernando Perpina-Robert Peyra, Spanish secretary general of foreign policy, expounded on the process of European integration, East-West relations and reforms in Eastern Europe.

His Korean counterpart, Vice Foreign Minister Yu Chong-ha, elucidated upon inter-Korean dialogue and Korea's efforts to join the United Nations and establish diplomatic ties with socialist countries, officials present at the meeting said.

He also touched on the situation in China and Sino-Korean relations and economic cooperation in the Asia-Paciic region, officials present at the meeting said.

DLP To Submit Kwangju Compensation Bill

SK2802020090 Seoul YONHAP in English 0135 GMT 28 Feb 90

[Text] Seoul, Feb. 28 (YONHAP)—The ruling Democratic Liberal Party [DLP] and the government put the finishing touches to a bill on compensation for victims of the Kwangju civil uprising on Wednesday, proposing that each victim receive up to 120 million won (174,000 U.S. dollars).

Under the bill, compensation will range from 60 million won to 120 million won. Compensation will be 118 million won for the family of a 23-year-old college student killed or missing when army troops opened fire on pro-democracy protesters in the southern city in May 1980.

It sets the figure at 92 million won for a 39-year-old without steady occupation and 60 million won for a 60-year-old, while the injured will be paid 13 million to 115 million won.

The bill would also set up a compensation committee chaired by the prime minister to oversee a panel based in Kwangju under the mayor. The Kwangju panel would screen applications for compensation and decide the amount to be paid on each claim.

The bill will be submitted to the current session of the National Assembly, which ends March 16.

Nearly 200 people died and some 2,000 were injured, by official count, when 10 days of protests in the city were brutally put down by the military.

Chong Ho-yong Leaves DLP for Assembly Seat

SK0203065890 Seoul YONHAP in English 0634 GMT 2 Mar 90

[Text] Seoul, March 2 (YONHAP)—Chong Ho-yong resigned from South Korea's ruling party Friday [2 March], hinting he would defy party leaders and seek to recapture his National Assembly seat in a by-election slated for early April.

The influential retired general, in a news conference in the Taegu constituency he represented until he was forced to give up his seat in December under pressure from the opposition and rivals in the ruling party, said, "I have submitted my resignation to the Democratic Liberal Party (DLP) effective Friday."

Chong said, "I cannot definitely talk about running in the forthcoming by-election as an independent. Resignation from the DLP, in itself, does not mean standing as an independent, does it?"

He said he made the decision "for freer stance, including running in the by-election as an independent and repudiating wide-spread rumors that President No Tae-u promised to nominate me for election in a tete-a-tete shortly before I stepped down last December."

Chong resigned his National Assembly seat after persistent opposition complaints about his alleged role in the bloody crackdown on pro-democracy protests in Kwangju in May 1980, but he retained his membership in the government party.

"Since it is currently uncertain if the DLP would nominate me, I have decided to withdraw from the party to reduce the burden on the selectors," Chong said.

The DLP plans to name a candidate to run against Chong in the Taegu by-election, probably Yi Man-sop, president of the now defunct Korea National Party, or Yi Sang-yon, the patriots and veterans affairs minister.

"It is natural for the DLP to run its own candidate in an election anywhere," a DLP source said, adding the government party would try to persuade Chong not to run even as an independent.

DLP Secretary-General Pak Chun-pyong, expressing the party line, said, "I hope Chong will make a reasonable decision."

Kim Yong-sam Criticizes Move

SK0303061090 Seoul YONHAP in English 0546 GMT 3 Mar 90

[Text] Seoul, March 3 (YONHAP)—Kim Yong-sam, one of the three co-leaders of the ruling Democratic Liberal Party (DLP), on Saturday [3 March] harshly criticized Chong Ho-yong, who resigned from the National Assembly last year, for launching a bid to regain his seat in a by-election in Taegu next month.

"It ridicules the people for Chong, who resigned only a few months ago, to stand for re-election right away," Kim said.

The by-election was called to fill the vacancy created by Chong's resignation.

Chong, who resigned from the DLP on Friday so he can contest the election as an independent, was forced to quit the Assembly and other public posts under pressure from the opposition for his alleged role in the military suppression of the 1980 Kwangju uprising. He was the special warfare commander at the time of the suppression.

Kim, then president of an opposition party, was one of the key figures pressing the ruling party to expel Chong from the National Assembly.

Despite his resignation from all public posts last December, Chong retained his membership in the Democratic Justice Party, which became the DLP through the merger with Kim's party and the New Democratic Republican Party led by Kim Chong-pil last month.

Chong had sought the DLP nomination but ran into trouble when former opposition groups led by Kim Yong-sam and Kim Chong-pil strongly objected.

DLP Secretary-General Pak Chun-pyong said the DLP will try to persuade Chong not to seek re-election.

Pak noted that Chong has not announced his candidacy and said he thinks the matter will be settled smoothly.

The DLP will field a candidate in the by-election.

Speeches by Two Kims Leave Questions Unanswered

SK0303025090 Seoul TONG-A ILBO in Korean 28 Feb 90 p 2

[Editorial: "Hope For Productive Politics—The Two Kims' Speeches Have Left Many Things Unexplained"]

[Text] The confrontation between the so-called "two Kims," Kim Yong-sam and Kim Tae-chung, began earnestly in the early seventies. Although the scramble between the two men over the election of floor whips in the opposition party in the sixties was fierce, the nature and meaning of that sort of competition was entirely different from those of the confrontation between the two men who are in a race for "presidential power."

Nevertheless, the confrontation between the two Kims in the showdown on 26 and 27 February, the first of its kind since the merger of the three parties, shows that its nature has changed: in the past they tried to cooperate with each other although they were in competition for power in the opposition party, but now they inevitably stand on different sides from which each has to be critical about the other and try to hold the other in check. This being the case, our concern about their confrontation cannot be the same as it was in the past and we wanted to see a new way of dealing with legislative affairs emerge in the National Assembly during their first confrontation. Already, the two Kims have repeatedly explained their contradicting stands on the merger of the three parties. Thus, it is quite natural for us to be greatly concerned about their determination and executive ability to meet the demands of the era, that is, the pursuit of democray and freedom , welfare, and human dignity. After hearing their speeches, however, we still are left wanting.

First, to a degree the two Kims seem to have realized that their present political methods are frowned upon by the people. But they will find it difficult to avoid being considered indifferent in their responsibility for the present political situation. Since they could not claim that the four-party political structure built on powerful opposition parties and a weak ruling party has been productive in political terms, the two Kims who have taken the leading role in running political affairs in the past should have been keenly aware of their responsibility and should have apologized for the phenomenon in their speeches. It is inconceivable that they are unaware of the common fact that men can develop themselves only through a thorough examination of their past and present.

Second, in their speeches they have failed to present clear-cut, unwavering political vision and will, which they must seek to achieve even under such enormous political upheavals as exists today. They brought into sharp relief their acutely different views on the merger of the three parties and their contradicting opinions on major pending political issues in strong language. Nevertheless, we cannot but note that they were shortsighted about the central tasks they were supposed to achieve. In his speech, Kim Yong-sam, chairman of the supreme leadership of the Democratic Liberal Party [DLP], should have made it clear that he has the executive ability to translate his will for reform into action within the framework of the DLP and government. Moreover, it would have been desirable if he had been able to strike chords in the hearts of the people responsive to his new thinking by presenting a few concrete ways of delivering his promises in the speech.

In the case of President [of the Party for Peace and Democracy] Kim Tae-chung, he should have presented drastic ways of effecting changes in his party to render it a genuine people's party. In particular, we would like to ask why he has ignored the fact that the people ardently hope for the birth of a united opposition party capable of providing checks and balances to the giant governing party. The opposition party engaged in a sound struggle with the governing party with a broad-based public support is urged to always be keenly aware of what the people want.

Third, despite the fact that provincialism is still the most weighty and the most controversial political issue pending at this juncture, the two Kims briefly mentioned it in a fleeting passage. No matter how unruly it may seem, the provincialism should be dealt with more seriously and more thoroughly. The effort to solve this problem should also be more serious and thorough. In particular, the two Kims should have an acutely guilty consciousness and a sense of responsibility for this. As a matter of fact, they should have a greater sense of mission than anyone else to take the lead in removing this provincialism.

Fourth, we have once again realized how strongly the seeds for confrontation and feuds are embedded in the hearts of the lawmakers of both camps and we fear the bleak future that might be in store for the National Assembly, even though there were pledges made in the National Assembly that dialogue and compromise will be sought within the framework of the legislative body. The two Kims should have made plain a clearer and more resolute will to respond to the people's thirst for a new type of politics and for a new pattern of dealing with legislative affairs in the National Assembly. What we are thirsting for is wisdom with which to iron out differing views on various pending political issues that are in parallel lines and to make compromises.

Gone are the days when the politicians were indulged in irresponsible and unproductive political games. Politicians, regardless of whether they are from the ruling

camp or in the opposing camp, are urged to be responsive to the people's awakening and the flow of history and devote themselves to producing more reasonable and constructive politics.

PPD Lodges Protest After Assembly Disturbance

SK2002083790 Seoul YONHAP in English 0810 GMT 20 Feb 90

[Text] Seoul, Feb. 20 (YONHAP)—A stormy protest erupted during the opening of the first National Assembly extra session since political realignment on Tuesday [20 February], in a grim foreboding of relations between South Korea's giant new government party and its lone opposition party.

All 70 lawmakers in Kim Tae-chung's party walked out five minutes after speaker Kim Chae-sun started an address to open the special sitting, accusing him of bias in favor of the ruling camp.

Members of the Party for Peace and Democracy (PPD) stood up and began shouting and pounding on their desks for the speaker to stop, and when he continued they marched out on the instructions of PPD floor leader Kim Yong-pae. They spat at the speaker as they left and yelled, "Where are you going to lead the nation?" and "What do you mean by small opposition?"

The uproar was detonated when the Assembly speaker said, "The four-party system has been dissolved and now there is a new bipartisan system of one majority ruling party and one small opposition party, which could give confidence and hope to the nation."

Kim spoke for another five minutes and then the opening ceremony closed.

The scene was not unusual for Korean politics, where extreme confrontation and sometimes physical clashes between rival groups are the norm rather than the exception, but this fracas is of note because it broke out in the first convocation of the 299-seat unicameral Assembly since the merger of the ruling party with two moderate opposition parties.

Late last month, the Democratic Justice Party led by president No Tae-u and the parties headed by Kim Yong-sam and Kim Chong-pil dropped a political bombshell, announcing the three parties were to be dissolved and reconstituted as a new government party.

The new party has a decisive majority of 216 parliamentary seats, putting an end to the era in which the three opposition parties held a majority and held the No government at bay.

The session, preceded by a tug of war over the length of the sitting and agenda of the special Assembly session, is construed as a test of whether there can be smooth sailing despite Kim Tae-chung's grievances.

Kim called the merger a political coup and rebellion.

PPD spokesman Rep. Kim Tae-sik, in a statement issued after the stormy ceremony, demanded speaker Kim withdraw his remarks and charged, "It is beyond his capacity as speaker to take a partisan attitude by praising the anti-democratic merger. The ruling party should give up its plot to grab control of the National Assembly by weight of numbers."

Top PPD officials visited the speaker later in the day to lodge an official protest in accordance with a decision taken at a party caucus.

Rep. Pak Hui-tae, spokesman for the ruling Democratic Liberal Party, said, "the opposition now has to clear up the endless negative attitude in everything and join the front for national conciliation. We will not be arrogant and we will show a mature democratic political stance through dialogue and compromise."

Kim Yong-sam, co-leader of the new government party and an overnight convert from three decades as an embattled opposition leader, said, "We can hardly cling to past practices now that all the world is changing."

Choe's Testimony Needed for 'Historical Truth'

SK0203015490 Seoul THE KOREA TIMES in English 2 Mar 90 p 6

[Editorial: "No Indictment of Ex-President"]

[Text] The prosecution authorities have virtually dismissed a lawsuit against former president Choe Kyu-ha filed by the National Assembly ad hoc committee. The prosecution decision was not surprising, as the case was destined to be concluded without actual punishment against the former head of state.

The case that had to be settled along a political dimension was unduly handed over to the law-enforcement authorities in an expedient means for the Assembly to extricate itself from moral obligation and to bring a quick conclusion to the festering issue. Indeed, the political parties had hardly expected any punitive action against ex-president Choe on charges of refusing parliamentary testimony and insulting the National Assembly.

Choe had defied six summonses for testimony from the Assembly special committee on the 1980 Kwangju civil uprising as well as two committee requests for his voluntary appearance at the committee hearings, leading to the ad hoc committee's suit against him. Choe was belatedly known to have been questioned by the prosecutors in connection with the charges in a hospital where he was receiving treatment for diabetes.

It is understandable that the ex-president was interrogated at a convenient hospital, apparently in a compromise between the prosecution authorities that first wanted to summon him to their office and Choe who asked to meet the investigators at his home. This was a conceivable means of according due courtesy to the former head of state.

The former president has obstinately refused to comply with the parliamentary subpoenas with the plausible reason that his parliamentary testimony at the committee hearings would set a bad precedent in violation of the principle of the separation of the three state powers.

From the viewpoint of formal logic, Choe's contention may be right, but his plea has been rendered meaningless, since another former president Chon Tu-hwan has testified at the same parliamentary panel on his role in the Kwangju incident and at another on his execution of state affairs. Apart from formalism, Choe could have cooperated with the Assembly committee in its impelling task to probe a decade of maladministration in a crucial attempt to liquidate the previous regime's legacies and make a new start for a new political order under the present Sixth Republic.

Compared with the despotic Chon, Choe was a powerless figurehead for some 10 months during the transitional period from the assassination of his predecessor Pak Chong-hui on Oct. 26, 1979 to Chon's power takeover in August, 1980. Yet, he is believed to have the best knowledge about the nation's turbulent situation under the power transition, and notably the truth about the military suppression of the Kwangju popular upheaval.

For the sake of historical truth, Choe is obliged to make public his knowledge and experiences in one way or another at the most convenient time. The Assembly special committee had refused to accommodate Choe's proposal for receiving his statement instead of his parliamentary testimony but rather turned him over to the prosecution authorities, despite its anticipation that the case would peter out without any drastic action against him.

The immense task of liquidating the Fifth Republic problems was from the start a staggering task of consummating something close to a political revolution, virtually transcending the judiciary dimension. This urgency obligated the former presidents to present testimony before the special Assembly probe committee.

The notorious Chon, willingly or unwillingly, complied with the parliamentary requests but Choe stuck to his bush. Had Choe been bold enough to withstand Chon and his clique's mutiny to the last, the nation's history would have been different from what it is today. Both political circles and Choe are called on to reflect on themselves.

Bar Association Issues Human Rights Report

SK2402002790 Seoul THE KOREA TIMES in English 24 Feb 90 p 2

[Text] The human rights situation in Korea deteriorated more last year than 1988, affected by massive arrests and illegal apprehensions, the Korean Bar Association said yesterday. In the 1989 human rights report, the association claimed that the present regime had cracked down hard on grassroots movements calling for liquidation of past irregularities.

The arrests of security-related offenders amounted to 2,094 since February 1988 when President No Tae-u took office, inaugurating the 6th Republic, the annual report said, adding the figure means 3.78 arrests per day. The figure showed a sharp increase when compared with 1.61 per day in the authoritarian Fifth Republic ruled by former president Chon Tu-hwan, it added.

Although the number of law bills laid before the National Assembly increased by more than five times, the report said, lawmakers "dawdled in dealing with evil laws."

The report also said that the nation's news media are facing a period of reform but the stiff National Security Law and other security-related laws should be abolished or revised to guarantee freedom of the press.

Meanwhile, the association has proposed that a law empowering the people to call on the government to disclose information be enacted in the near future.

Student Group To Struggle Against Ruling Camp

SK2402003790 Seoul THE KOREA TIMES in English 24 Feb 90 p 3

[Text] The nation's largest student activist alliance, finishing the formation of its new leadership at a clandestine meeting Wednesday [21 February], is trying to gain public support with a hardline anti-government struggle.

Song Kap-sok, a 24-year-old trade senior at Chonnam National University, elected acting chairman of Chondaehyop [National Council of University Representatives], said yesterday at a press meet that the alliance will launch massive struggles against the new ruling cmap.

Meeting with reporters at the Concert Hall at Hanyang University under extreme security measures, Song briefly spelled out Chondaehyop's new year projects and slipped away, escorted by his student "body guards."

Calling the merger of the former ruling party with opposition groups led by Kim Yong-sam and Kim Chong-pil the setup of "fascist and pro-American reactionaries," Song said students will form a united front with progressive blue-collar workers to crush the incumbent ruling camp.

Chondaehyop will initiate nationwide rallies this weekend on university campuses in major cities in an effort to "blow up" the one-party dictatorship allegedly schemed by the Democratic Liberal Party.

"To secure a strong foothold on campuses," Song observed, "the new activism will take as target campus reform drives."

Song, concurrently leading the Chonnam University student council, said students will join forces with dissidents, unionized teachers and reform-seeking workers for the abolition of laws that suppress the democratic movement.

Song was unanimously elected new Chondaehyop leader in Wednesday's meeting, held at the Chonnam University student council office, of the central committee replacing Hanyang University senior Im Chong-sok, now in detention. Ten other key posts of Chondaehyop were also reshuffled, but identities of students taking over secret functions are unknown. The new leadership is subject to ex-post facto approval by representatives of student councils.

First Hearing Held for Activist Im Chong-sok

SK2702013690 Seoul THE KOREA TIMES in English 27 Feb 90 p 3

[Excerpt] The first hearing session was held yesterday amid tight security for student activist leader Im Chong-sok, a 24-year-old senior of Hanyang University, at the grand courtroom of the Seoul District Criminal Court.

About 1,300 riot police were deployed in and around the court building in Socho-tong, southern Seoul, to prevent possible disturbances marring the trial.

The hearing opened at 10 a.m. with a restricted audience and was once suspended at the request of lawyers defending Im, indicted for violating the National Security Law and the Law on Assembly and Demonstration.

A counsel corps, demanding an open trial, asked the court to allow more observers to enter the courtroom. But students wanting to attend the hearing were blocked by police, being not even able to enter the area around the court house.

There were no severe disturbances or contempt of court. [passage omitted]

Ex-Chondaehyop Leader Has First Court Hearing

SK2702041790 Seoul THE KOREA HERALD in English 27 Feb 90 p 3

[Text] Im Chong-sok, ex-chairman of the radical student organization Chondaehyop [National Council of University Student Representatives], acknowledged yesterday that he and several Chondaehyop leaders arranged for coed Yim Su-kyong to sneak into north Korea, but denied the prosecution charge that he acted on instructions from the north.

In his first hearing yesterday at the Seoul District Criminal Court, Im claimed that north Korea is no longer an antistate body, but "part of our fatherland soon to be unified."

He is accused of making contact with members of an antistate body, the Communist north.

Im contended that Chondaehyop illegally dispatched the coed to the north because the government "blocked us from having her attend the 13th World Festival for Youth and Students in Pyongyang in July as a representative of Chondaehyop."

"We received an invitation from the north in December 1988," said Im, disputing the prosecution claim that the female student went to Pyongyang "under orders" from the northern regime.

He said the invitation was delivered to Chondaehyop through the south Korean National Red Cross.

Im asserted that the government should take a more aggressive approach to national reunification, as expressed by President No Tae-u in a special statement in 1988.

Im was applauded by nearly 200 supporters, mostly students and relatives, when he appeared in the court shortly after 10 a.m. They also applauded during the hearing.

However, the spectators did not shout or sing.

Im's defense lawyers requested the judges to remove "unnecessary personnel from the courtroom to get rid of the "fear-inspiring atmosphere." Hundreds of police stood guard in and around the court.

Government To Release 'Repentant Leftists'

SK2602132190 Seoul YONHAP in English 1218 GMT 26 Feb 90

[Text] Seoul, Feb. 26 (YONHAP)—The government will release 22 "repentant leftists," mostly convicted of espionage for communist North Korea, and 1,089 ordinary prisoners who have served over three-quarters of their terms on Wednesday in celebration of Independence Movement Day.

Among those to be freed for Thursday's national holiday is So Sung, a Korean resident in Japan who was convicted of espionage in 1971. So has served 18 years and 11 months of a 20-year term, the Justice Ministry announced Monday.

So was arrested in 1971 while studying at a college in Seoul. He was sentenced to life imprisonment, which was later commuted to 20 years to end on March 12, 1993.

Missing from the parole are dissidents and students convicted of anti-government activities but the measure will leave just 150 "leftists" in Korea's prisons, according to the ministry.

The unusually large parole is also intended to mark the launching of the new ruling party, which was created by merging the old ruling Democratic Justice, opposition Reunification Democratic and New Democratic Republican Parties on Feb. 9, a ruling party source said.

In the past, the government released prisoners who had served more than 90 percent of their prison term on a national holiday.

Government To End Crimes by 'Evil Journalists'

SK2002043690 Seoul YONHAP in English 0147 GMT 20 Feb 90

[Text] Seoul, Feb. 20 (YONHAP)—The government is seeking to reintroduce press cards to stop the growing abuses of pseudo-journalists and plans to establish an office to receive reports on crimes committed by such evil journalists.

"Social evils created by people under the mask of the press have reached serious proportions," Information Minister Choe Pyong-yol told chief editors on Monday. "I shall demand press organizations, including the Korea Newspapers Association, consider issuing press cards to prevent social abuses."

To reinvigorate the activities of the press arbitration commission, Choe said, "Consultation is under way on how to give legal force to the organization and how to lodge a complaint when it notices concrete misconduct by media organizations."

The center to receive reports on pseudo-reporters' misdeeds, to be inaugurated next month, will establish hot-lines in prosecution offices and police stations across the country and will file a complaint with the authorities if a report is found to be justified.

Some reporters, working for newspapers that have cropped up in recent years on the strength of democratization, have been accused of blackmailing businessmen, threatening to publish unfavorable information or expose allegedly illegal activities.

Government Technology Development Plan Viewed

SK2002010190 Seoul THE KOREA TIMES in English 20 Feb 90 p 6

[Editorial: "Advanced Technology Development"]

[Text] Drawing particular interest is the government's seven-year sophisticated technology and industrial development plan which calls for increasing the nation's investment in scientific and technological development from 2.6 percent of its GNP in 1989 to 4 percent in 1996, or a total of 38 trillion won over the seven-year period. The investment breaks down to 11.2 trillion won in the government sector and the remaining 26.8 trillion won in the private sector.

Stepped-up development of our own advanced technical know-how is vital to our survival in the ever-intensifying international competition in business as advanced countries are heightening their technological barriers, getting more stingy with their sophisticated technology.

It is hardly possible for any country to enjoy advanced technology in all sectors. Accordingly, recommendable is technological development in selected industrial sectors to sharpen our international competitive edge. The needed technological development should be led by the private sector while realistic multilateral incentives, including tax and financial favors, must be granted by the government.

Also needed is a substantial increase in highly-educated technical manpower. Noteworthy in this regard is the government plan to raise scientific and technological manpower drastically to the level of 320,000 persons in 2000 in an effort to catch up with the seven industrially-advanced countries.

Allout efforts for technical development cannot be overemphasized in this country, which is very poor in all natural resources but human potential.

Completion of Nuclear Power Plants Reported

SK2702083890 Seoul YONHAP in English 0620 GMT 27 Feb 90

[Text] Ulchin, South Korea, Feb. 27 (OANA-YONHAP)—Energy and Resources Minister Yi Pong-su, in a ceremony attended by celebrities and villagers, declared the completion of two nuclear power plants near the seaside city of Ulchin in North Kyongsang Province on South Korea's east coast on Tuesday [27 February].

It took 2.119 trillion won (about 3.1 billion U.S. dollars) and 9.9 million man-days to complete the pressurized water reactors (PWR), Ulchin unit one and Ulchin unit two. Ground was broken in January 1981. Each of the reactors can produce up to 950,000 kilowatts of electricity, giving Korea a nuclear power generation capacity of some 7.62 million kilowatts, or 36.3 percent of its total capacity of 21 million kilowatts. Ulchin One went into commercial operation in September 1988, and Ulchin Two a year later, raising the nation's nuclear power dependency rate for its nine reactors to 50 percent from 47 percent at the end of 1988.

The prime contractor was the state-run Korea Electric Power Corp. (KEPCO). Localization in the equipment supply sector was 40 percent, and in the overall plant engineering sector it was 46 percent. The nuclear steam supply system and the turbine and generator were supplied by the French firms Framatome and Alsthome, respectively, while secondary equipment was self-developed. Local contractors were Korea Power Engineering Co. (KOPEC) and Korea Heavy Industries and Construction Co. (KHIC) in design and Tong-a Construction Co. and KHIC in construction.

Since the plants were constructed amid mounting global interest in the safety of nuclear power stations, KEPCO set up a five-step safety system that employs the latest safety equipment and regulations of France and the United States, a KEPCO official said.

Labor Disputes Show 'Sharp Decrease' This Year

SK2302021890 Seoul THE KOREA TIMES in English 23 Feb 90 p 3

[Text] The first two months into this year have seen a sharp decrease in labor disputes, most of which have been settled within legal boundaries.

The Labor Ministry said yesterday that a total of 36 labor disputes had broken out so far this year, representing 24 percent of the 148 cases during the corresponding period of last year. The prospects for this year's wage bargaining are bright because most labor disputes have been settled in a short period, ministry officials said.

The improvement of the labor-management relationship is largely attributable to the accumulated experience in wage bargaining, the economic situation here and abroad and the authorities' stiff punishment of illegal labor actions, they said.

Besides the rapid drop in the number of labor disputes, the reports of labor disputes, a barometer foretelling future labor disputes, also decreased to 69 from last year's 130 in January and February. If labor-management confrontations, which have been extremely serious at several large companies such as Hyundai in the past, are peacefully settled, officials forecast that the total number of labor disputes this year will reach about 1,000.

About 47 percent of the labor disputes have been settled within legal boundaries, a significant rise compared with last year's 30 percent, they said. In addition, labor turmoil at a considerable number of companies has been settled through arbitration of labor offices without strikes, it added.

Property losses resulting from labor disputes also decreased to 50.2 billion won, representing 7.6 percent of last year's 685.5 billion won, Trade-Industry Ministry statistics said. The ministry also said that over 50 percent of labor disputes last year took the form of sit-ins but, in contrast, 61 percent of them this year were simple refusals to work.

Meanwhile, the Federation of Korean Trade Unions commented on the ministry report, saying that labor unions hadn't become weak but rational in obtaining their rights.

Short Take-Off, Landing Planes To Be Developed

SK2502005990 Seoul THE KOREA TIMES in English 25 Feb 90 p 3

[Text] Government and private sources will invest 100 billion won (about $144.93 million) over the next seven years in a program to develop planes capable of taking off and landing on runways as short as 500 meters, the Science and Technology Minister said yesterday.

With world air traffic expected to increase 2.5 times by 2000, the STOL (short take-off, landing) plane should be welcome, the ministry said.

The envisioned 10-ton, low-noise turbo-prop is needed to reduce congestion on the nation's highways and promote travel to neighboring nations, the ministry said. It will have a cruising range of 1,500 kilometers at 500 kilometers an hour with 20 passengers aboard, but its strongest point is the ability to use short runways.

The ministry-backed Korea Aerospace Research Institute, established in October last year, will oversee the development project, in which state-run institutes, universities and businesses will collaborate.

Equipment and know-how for wind tunnel tests, flight simulation and developing new materials will be secured from joint studies and cooperation with foreign businesses and institutes. Currently, West German's National Space and Navigation Research Institute is a likely partner.

The first stage, ranging from basic design to the completion of an unmanned dummy plane, will be finished by 1992, and the second stage of more detailed designs will be completed by 1997. Two versions of the plane will be ready for experimental flights in 1996 and 1997.

Customs Office Beefs Up Anti-Drug Measures

SK2302041890 Seoul YONHAP in English 0258 GMT 23 Feb 90

[Text] Seoul, Feb. 23 (YONHAP)—The Office of Customs Administration is to establish a drug division in a move to beef up its ability to intercept drugs, administration officials said Friday.

It will also increase the number of drug busters in customs offices and post a reward of up to 4 million won (5,800 U.S. dollars) for information leading to the capture of a drug trafficker. The administration will train additional dogs for use at Kimhae and Cheju international airports and Pusan seaport as well as Kimpo Airport in Seoul. It will also import 86 million won worth of equipment to detect drug smugglers, the officials said.

Burma

Time Bomb Explosion in Myawadi Reported 8 Mar

Rangoon Report

BK0803145090 Rangoon Domestic Service in Burmese 1330 GMT 8 Mar 90

[Text] KNU [Karen National Union] insurgents have been disturbing regional peace and order by planting mines, ambushing passenger vehicles, and sending parcels with time bombs. It has been learned that a time bomb hidden by KNU insurgents in a snack parcel exploded at a checkpoint in Myawadi at 1520 today. The explosion killed seven, including five workers and a member of the militia and wounded nine persons. Among the dead are: U Hla Shein, 40, member of the militia from Ward No. 5 of Myawadi and workers—Ko Than Win, 30, of No. 2 Ward; Ko Aung Naing, 19; Ko Zaw Kaung, 18; Ko Win Naing, 30, of No. 1 Ward; U Hammid, 40; and U Tin Win, 37 of No. 3 Ward. Among those wounded are: U Than Hlaing, 42, of No. 1 Ward of Myawadi; U Tin Aung, 26; U Myint Than, 31; Ko Tin Ngwe, 22; Ko Zaw Moe, 22, of No. 22 Ward; Maung Aye, 28; U Hla Kywe, 33, of No. 4 Ward; Ko Aung Myint Thein, 19; and U Met Lay, 32, of Auk village of Kawkareik.

It was learned that an unidentified woman from the other side of the river bank carried a package and gave some money to workers to look after the package. The bomb exploded while U Hla Tin, a member of the militia, was inspecting the suspicious package. The unidentified woman who left the time bomb disguised by KNU insurgents as a package is urgently sought. Members of Myawadi Law and Order Restoration Council and responsible authorities have sent the wounded to the township people's hospital for treatment and are giving necessary assistance.

AFP Report

BK0803125490 Hong Kong AFP in English 1237 GMT 8 Mar 90

[Text] Bangkok, March 8 (AFP)—Seven Burmese, including a militiaman, were killed and five were seriously injured when a time bomb exploded in Burma's border town of Myawadi, Thai border officials said. Burmese military authorities have said they believed that the explosion Wednesday [7 March] on the border with Thailand was the work of anti-Rangoon ethnic Karen rebels dominant in the area. The blast came when a Burmese militiaman at the customs check-point in Myawadi was inspecting a consignment of goods from the Thai border town of Mae Sot, 420 kilometres (260 miles) northwest of here, Thai border officials said. A tin crate containing sweets exploded killing the militiaman and four townspeople and injuring seven passersby, two of whom later died of their injuries in hospital.

Myawadi is the gateway to Thailand's Tak province for eastern Burma's Karen state, home base to the Karen National Union (KNU) which has been fighting for autonomy from Rangoon since Burma's independence from Britain in 1948. Thai authorities noted Wednesday's blast was the third bombing incident to have occured at the same customs check-point. The first incident, again blamed on the Karens, came on November 8, 1989 and left two people dead but the suspected target, Colonel Kyaw Mint, commander of the 97th infantry battalion of the 33rd division stationed in Kawkareik near Myawadi, escaped unharmed. A bomb blast at the same check-point on January 16 killed two people. The Burmese Army is conducting search-and-destroy operations against ethnic rebel strongholds strung out along the jungle-clad mountainous areas that form the border with Thailand.

Thai Deputy Prime Minister Arrives in Rangoon

BK0703150790 Rangoon Domestic Service in Burmese 1330 GMT 7 Mar 90

[Excerpts] A delegation led by General Thianchai Sirisamphan, deputy prime minister of Thailand, arrived in Yangon [Rangoon] at 0800 this morning in a Royal Air Force plane. The minister and his delegation were welcomed at the airport by Rear Admiral Maung Maung Khin, minister for mines and energy; Major General Phone Myint, minister for home and religious affairs and for culture and information; Major General Aung Ye Kyaw, minister for construction and cooperatives; Brigadier General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council; Brigadier General Myo Nyunt, commander of the Yangon Military Command; U Nyunt Swe, Myanmar [Burmese] ambassador to Thailand; Mr (Paochai Sudradamin), charge d'affaires ad interim of the Thai Embassy and staff members; and responsible officials from the Ministry of Foreign Affairs. [passage omitted]

After a brief stop-over at Yangon Airport, Gen. Thianchai and his delegation proceeded to Mandalay in a Myanmar Airways plane. The delegation, accompanied by U Nyunt Swe, Myanmar ambassador to Thailand, arrived in Mandalay at 1000. [passage omitted]

The Thai delegation, accompanied by Commander Brigadier General Tun Kyi, visited Maha Muni Buddha Temple and toured the palace. In the afternoon, the delegation visited the Golden Monastery, Loka Marazein Pagoda, and temples on the Mandalay Hill. At 1530, the delegation left Mandalay for Pagan-Nyaung-u by plane. In the evening, the Thai delegation visited the Ananda Temple in Pagan. Later, Brig. Gen. Tun Kyi, chairman of Mandalay Division Law and Order Restoration Council and commander of the Northwest Military Command, hosted a dinner in honor of the Thai delegation at Thiri Pyitsaya Hotel.

Meets With Saw Maung

BK0903140490 Rangoon Domestic Service in Burmese 1330 GMT 9 Mar 90

[Text] General Saw Maung, chairman of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar [Burma], received General Thianchai Sirisamphan, deputy prime minister of Thailand, at 1400 today at Dagon House of the Ministry of Defense. Present at the meeting with Gen. Saw Maung were members of the SLORC—Lieutenant General Than Shwe; Rear Admiral Maung Maung Khin, minister for mines and energy; Major General Tin Tun, minister for transport and communications and for social welfare and labor; Brigadier General Khin Nyunt, secretary-1; Brig. Gen. Tin U, secretary-2; U Nyunt Swe, Myanmar ambassador to Thailand; and Colonel Thura Aung Htet, director general of protocol of the Ministry of Foreign Affairs. Present at the meeting with the visiting Thai deputy prime minister was Mr. (Paochai Sudradamin), charge d'affaires ad interim of the Thai Embassy.

Singapore Defense Chief Arrives in Rangoon

BK0503143590 Rangoon Domestic Service in Burmese 1330 GMT 5 Mar 90

[Text] Lieutenant General Winston W.L. Choo, chief of the General Staff of the Armed Forces of the Republic of Singapore, and a delegation arrived in Yangon [Rangoon] by air this evening at the invitation of General Saw Maung, commander in chief of the Defense Services of Myanmar [Burma]. The Singapore chief and his delegation were welcomed at Yangon airport by Lieutenant General Than Shwe, Army commander in chief; Rear Admiral Maung Maung Khin, Navy commander in chief; Major General Tin Tun, Air Force commander in chief; Brigadier General Khin Nyunt, director of Defense Services Intelligence; Brigadier General Myo Nyunt, commander of the Yangon Military Command; Colonel Than U, judge advocate general; high-ranking defense officials; and Mr. Lim Peck Heng, charge d'affaires ad interim, and staff members of the Singapore Embassy. In the evening, Gen. Saw Maung feted the visiting Singapore chief and his delegation at the No. 2 Defense Forces guest house.

Meets With Saw Maung

BK0703153390 Rangoon Domestic Service in Burmese 1330 GMT 7 Mar 90

[Text] General Saw Maung, commander in chief of the Defense Services, received Lieutenant General Winston W.L. Choo, chief of the General Staff of the Armed Forces of the Republic of Singapore, at 1330 today at Dagon House of the Ministry of Defense. Present at the meeting with Gen. Saw Maung were Lieutenant General Than Shwe, commander in chief of the Army; Rear Admiral Maung Maung Khin, commander in chief of the Navy; Major General Tin Tun, commander in chief of the Air Force; Brigadier General Khin Nyunt, director of Defense Services Intelligence; and Brigadier General Tin U, chief of Army staff. Present at the meeting with the visiting Armed Forces chief was Mr. Lim Peck Heng, charge d'affaires ad interim of the Singapore Embassy. In the evening, Lt. Gen. Than Shwe hosted a dinner at the restaurant inside People's Park.

Leaves Rangoon

BK0803142290 Rangoon Domestic Service in Burmese 1330 GMT 8 Mar 90

[Text] Lieutenant General Winston W.L. Choo, chief of the general staff of the Armed Forces of the Republic of Singapore, and his delegation left Yangon [Rangoon] this evening by air after visiting Myanmar [Burma] at the invitation of General Saw Maung, commander in chief of the Defense Services. The visiting Armed Forces chief and his delegation were seen off at the airport by Lieutenant General Than Shwe, commander in chief of the Army; Rear Admiral Maung Maung Khin, commander in chief of the Navy; Major General Tin Tun, commander in chief of the Air Force; Brigadier General Khin Nyunt, director of Defense Services Intelligence; Brigadier General Myo Nyunt, commander the Yangon Military Command; Colonel Than U, advocate general; senior military officials; and Mr. Lim Peck Heng, charge d'affaires ad interim of the Singapore Embassy and embassy staff.

On 6 March, the visiting Armed Forces chief and his delegation, accompanied by Advocate General Col. Than U flew to Heho by plane. At Heho airport the entourage was welcomed by Brigadier General Maung Aye, commander of the Eastern Commander, and responsible officials. The entourage toured Inle region and proceeded to Taunggyi in the evening. Commander Brig. Gen. Maung Aye of the Eastern Command hosted a dinner in honor of the visiting Armed Forces chief and his delegation at the Eastern Military Command Headquarters. On 7 March, the delegation toured Taunggyi and returned to Yangon by plane from Heho.

Brunei, Malaysia & Singapore

Malaysia

House Briefed on Prince Charles' Genocide Remark

BK0803044590 Kuala Lumpur BERNAMA in English 0309 GMT 8 Mar 90

[Text] Kuala Lumpur, March 8 (BERNAMA)—Malaysia has expressed its dissatisfaction to the British Foreign Office and British High Commission here over a statement by Prince Charles on the Penans [tribe] in Sarawak.

Malaysia's Foreign Minister Abu Hassan Omar told the House of Representatives the government had also explained the actual position of the Penans to heads of delegation to the ASEAN-European community foreign ministers' meeting in Kuching recently.

Prince Charles charged that Malaysia was waging "collective genocide" against the Penans in his speech at a gathering at Kew Gardens, London, on February 6.

Abu Hassan said the government was also using the mass media to give the correct picture of the Penans to the outside world, especially foreign media agencies. He said the Youth Wing of UMNO [United Malays National Organization], which forms the backbone of the ruling coalition government, had sent a protest note to the British High Commission and sent a respresentative to meet the private secretary to the prince in London.

Meanwhile, according to a London report by a local daily, the NEW STRAITS TIMES, Malaysia had been assured that the remark by Prince Charles was his personal view and did not reflect the view of the British Government. The assurance was given to Malaysian Youth and Sports Minister Najib Tun Razak when he met his counterpart Colin Moynihan on Monday [5 March]. Najib, who is also UMNO youth leader, told a news conference he had expressed the Malaysian Government's strong objection to the allegation at their meeting.

A delegation from the UMNO Youth International Bureau led by Nazari Tan Sri Aziz Yeop will meet the private secretary to Prince Charles on Friday.

Ghafar Baba Returns From Visit to South America

BK0903092890 Kuala Lumpur International Service in English 0600 GMT 9 Mar 90

[Text] Malaysia is to enhance bilateral trade with Chile and Argentina. [Deputy Prime Minister] Mr. Ghafar Baba said Malaysia wants to export more rubber and palm oil to the two countries.

The deputy prime minister said this at the Kuala Lumpur International Airport on his return from an official visit to the two nations. He said businessmen from Chile and Argentina will be invited to visit Malaysia to take a closer look at opportunities available in the country.

Mr. Ghafar also attended a special session of the UN General Assembly on drugs in New York. The deputy prime minister also said that the president of Argentina, Carlos Menem, had accepted an invitation from the prime minister to visit Malaysia in June.

Fiji Trade Minister Comments Before Departure

BK0703051590 Kuala Lumpur BERNAMA in English 0343 GMT 7 Mar 90

[Text] Subang, March 7 (BERNAMA)—Fiji will work closely with Malaysia to enhance bilateral trade between the two countries, Fiji Trade and Commerce Minister Berenado Vunibobo said Wednesday [7 March] before leaving for Jakarta. He said Fiji would explore more areas of trade with Malaysia and is currently looking into the importation of the Malaysian national car, Proton Saga. He also had discussions with Petronas [state oil company] on the possibility of importing crude petroleum from Malaysia.

He said Malaysian manufacturers and producers should not look at the Fijian domestic market, which is small, but [at] its central position as a distribution point for Malaysian products to the rest of the South Pacific countries.

He was optimistic there will be a considerable number of joint ventures and other types of business arrangements between Fijian and Malaysian entepreneurs since Malaysian manufacturers and producers had many products to offer to Fiji.

Vunibobo and his delegation, who visited factories making furniture and pipes during their five-day visit, were impressed with the quality of the products and skill of the workers. He also expressed satisfaction with the quality of Malaysian textiles. He said the proposed joint venture network between Malaysian and Fijian entrepreneurs was the ideal way for Malaysia to break into Fijian and South Pacific markets. He was confident that the network could be set up in Fiji this year although much discussion was still needed.

Vunibobo said he was very grateful to the Malaysian Government for its assistance to Fiji and he expressed the hope of visiting plantations, fish farms, and villages when he makes another trip to Malaysia.

Cambodia

VOK Reports Clashes With Heng Samrin Forces

BK0903071690 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 9 Mar 90

[Excerpts] [Passage omitted] Reports from the high command of the Khmer People's National Liberation Front [KPNLF] Army says that on 20 February, KPNLF troops in the 2d and 6th Operational Regions, with the support of the KPNLF high command artillery fire, clashed with 300 Vietnamese-Heng Samrin soldiers, backed by artillery pieces and four T-54 tanks, near Preav village in Sereisaophoan District, Battambang Province. After fighting for four hours and 50 minutes, combatants of the KPNLF army killed 18 Vietnamese-Heng Samrin soldiers and wounded 38 others, including eight Vietnamese soldiers. KPNLF combatants destroyed a T-54 tank of the Vietnamese-Heng Samrin troops and seized some weapons and war material.

On the same day [20 February], a number of KPNLF combatants in the 1st Operational Region clashed with Vietnamese-Heng Samrin troops, backed by all kinds of artillery pieces and five T-54 tanks, at O Veng and Baray villages in Sereisaophoan District, Battambang Province. After a three-hour fight, KPNLF combatants killed three Vietnamese-Heng Samrin soldiers and destroyed a T-54 tank of the Vietnamese-Heng Samrin troops and damaged the track of another tank.

On 21 February, commandos of the high command clashed with 300 Vietnamese-Heng Samrin troops backed by artillery fire and three T-54 tanks near Slar Kram village in Sereisaophoan District, Battambang Province. Fighting lasted for an hour and 30 minutes. KPNLF combatants killed 10 and wounded 15 Vietnamese-Heng Samrin soldiers. [passage omitted]

On 22 February, KPNLF combatants in the 1st Operational Region attacked a position of the Vietnamese-Heng Samrin troops at O Veng village in Sereisaophoan District, Battambang Province. Fighting lasted for 30 minutes resulting in three Vietnamese-Heng Samrin soldiers killed and a number of others wounded. KPNLF combatants destroyed a T-54 tank and damaged the track of another. [passage omitted]

VONADK Denounces Massacre in Kompong Thom

BK0903130790 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Mar 90

["Exposition and Denunciation of the Savage and Barbarous Massacre of Our People in Baray District by the Vietnamese Enemy Aggressors and Vietnam's Puppets and Lackeys"]

[Text] On 22 February, the Vietnamese enemy and 150 of its puppets and lackeys used BM 14-mm artillery pieces and two multiple rockets batteries to massacre our people in Baray District, Kompong Thom Province, who were fishing in Chinit river. One-hundred fifty of our people died, including many women and children. This is another criminal and barbarous massacre of Cambodians by the Vietnamese and their puppets among the numerous killings they have perpetrated. The Vietnamese massacre the Cambodians through every means: by shelling, summary execution, using toxic chemical weapons, and arresting. They also forcefully round up our people and use their husbands and children as soldiers and laborers to die for the Vietnamese. In the past 11 years of the Vietnamese war, Cambodians in villages, communes, districts, and provinces have been suffering all kinds of hardship and been most tragically separated from their husbands and children.

The Cambodian people and the Cambodian national government categorically expose and denounce this massacre by the Vietnamese and their lackeys. Furthermore, Cambodians plead to the world, particularly the United Nations which is competent in this matter, to take concrete, stringent measures to prevent the Vietnamese and their puppets from massacring innocent Cambodians in this manner. In order to do this, it is necessary to pressure the Vietnamese and its puppets to accept a comprehensive, just, and reasonable solution to the war of aggression in Cambodia, particularly on two key principles:

1. The Vietnamese should withdraw all their forces—troops in their own uniforms and those wearing the puppet troops' uniforms, and all kinds of Vietnamese settlers from Cambodia under the supervision and control of a international UN control organization with the participation of the four Cambodian parties.

2. The Vietnamese and their lackeys should accept the establishment of a four-party provisional Cambodian Government with the equal participation of the four Cambodian parties headed by Samdech Norodom Sihanouk.

Sihanouk Says Khmer Rouge Winning Support

BK0903011590 Bangkok BANGKOK POST in English 9 Mar 90 p 4

[Text] More Cambodians are supporting the Khmer Rouge which could win as many as 40 seats in a 90-seat assembly during a general election, Cambodian resistance leader Prince Norodom Sihanouk has said. The Khmer Rouge's increasing popularity "is something that the outside world ignores," the prince said during a recent interview in Phum Sereipheap, a village located in the Sihanoukist liberated zone. Phum Sereipheap is located just across the border from Kap Choeng of Surin Province.

"There are more and more villages, more and more peasants supporting the Khmer Rouge," Prince Sihanouk said. He said Cambodians are a proud people with dignity and honour. Being killed by the Khmer Rouge is a "terrible thing" but "to be swallowed, colonised by Vietnam; to have frontiers taken and names of villages changed to Vietnamese" is worse, he said. "The hearts and minds of the Cambodian people are different now. More and more Cambodians accept the Khmer Rouge in their fight against Vietnam," he added.

Prince Sihanouk said this feeling is not only prevalent among the younger generation but also among those who have known the atrocities of the Khmer Rouge. "The Khmer Rouge do not fear any more the election," the prince said, adding that they control vast tracts of Cambodia. Other resistance sources have said that they have intelligence reports that the Khmer Rouge were distributing rice and clothing to villages they assume control over as if preparing for eventual elections. "They are successful and show (the people) that the Heng Samrin regime is the lackey of the Vietnamese," the prince said. He predicted that if elections are held in Cambodia, the Khmer Rouge will win more votes than people expect. "You might be surprised that in the National Assembly, you might not see one or two seats for the Khmer Rouge. They could get 40 seats among 90 seats. It is possible," he said. Prior to the prince's exile, the Cambodian National Assembly comprised 90 seats.

While emphasising that he is not "pro-Khmer Rouge" recalling that they killed five of his children and 14 grandchildren, the prince said the Khmer Rouge "is the only chance" the resistance has against Vietnam and the Phnom Penh Government. "The Khmer Rouge is useful because without them we have no chance. The Khmer Rouge have one merit, one quality or virtue; namely they

are utlra-nationalists," he said. He said the resistance forces have to unite to have a chance against Vietnam. The prince, who has recently been severely criticised for his close links with the Khmer Rouge whose genocidal policies resulted in the deaths of hundreds of thousands of people in Cambodia between 1975 and 1978, said his forces do not mix and fight with the Khmer Rouge.

Since there are occasions where their respective forces operate near each other, they fight side by side—in parallel—towards the same objective, he said. The prince admitted that the Khmer Rouge's control over many areas of Cambodia "could be dangerous" and could have an impact in a general election. Even if there is an election by secret ballot, Cambodian villagers in areas under Khmer Rouge control may vote for the Khmer Rouge even if they don't want to because they have cadres who can check on who voted for whom, the prince said.

Presence of SRV Troops in Cambodia Reported

BK0903025790 Bangkok BANGKOK POST in English 9 Mar 90 p 6

[Article by Jacques Bekaert under the "Cambodian Diary" rubric and headlined "Who Can Impose Peace?"]

[Text] New York—The total failure of the recent Jakarta meeting to reach an agreement on anything, even a face-saving final communique, was hardly a great surprise. More than ever, various American and Western sources say, it now seems that a solution would only come after some consensus has been achieved among the five permanent members of the UN Security Council. But many sources also expressed doubt that a durable solution can be imposed against the wish of the various Cambodian factions. At this stage, the gap between the resistance and Phnom Penh appears as wide as it was half a year ago in Paris.

In Jakarta, among the Five, only France, as secretary of the Paris Conference, was present. Regional powers, like Vietnam or ASEAN countries, sources said, can make a solution easier, or more difficult, but cannot completely prevent the Cambodians from going on with their fighting. The United Nations was represented in Jakarta by a fairly large delegation. It was an indication of the interest of the UN Secretary General toward the Cambodian question, UN sources say. But by itself, sources inside the organisation explained, the United Nations, while more than willing to play a role and already preparing for the day it will be called to Cambodia, can do little at the present stage but make itself available and wait.

A few weeks ago in Hanoi a senior Vietnamese general predicted to one of our colleagues that the war could go on for another two years. Alas for the Cambodians, he may be correct. Cambodian resistance sources told us recently they saw little chance for a ceasefire unless Phnom Penh accepts the dismantling of its regime and the formation of a quadripartite government that would include the Khmer Rouge. Mr Hun Sen, as chief negotiator for Phnom Penh, and the politburo of the People's Revolutionary Party of Kampuchea [PRPK] are adamantly opposed to both demands. In fact, the PRPK politburo does not pay much interest in negotiations. During its most recent plenum in mid-January, the party strongly recommended swift military actions to recapture the lost territory and gain victory on the battle front. Such a solution, an Eastern European source told us in Phnom Penh, would, in the mind of many party cadres, make any compromise with the resistance unnecessary.

Since the arrival, at Phnom Penh's urgent request, of elite Vietnamese troops in western Cambodia in early November, the two nationalist groups of the resistance, the ANS [National Sihanoukist Army] and the KPNLF [Khmer People's National Liberation Front], have been unable to gain control of much more territory, partly, they complained, because of a lack of ammunition. Vietnamese troops, many from Special Forces units, provided the demoralised Cambodian People's Army with much needed breathing space. It gave it a chance to regroup, reorganise and regain some of the lost confidence. Sources in Washington believe the recent counter-offensive by the Cambodian army was planned by Vietnamese experts. Even if Vietnamese troops were involved, as claimed by the resistance, the recapture of strategic towns like Svay Chek do represent a boost for Phnom Penh's morale. Reliable sources told us that Hanoi made clear to Mr Hun Sen that Vietnamese troops would only stay until the end of the present dry season. After that, only advisers and technicians will remain. Would it be long enough to allow the Cambodian army to stand on its own feet? In the past Phnom Penh relied on the PAVN [Vietnam People's Army] for most of its defence. "We gave the Cambodians too few responsibilities and as a result they failed to develop a strong army," a senior Vietnamese military source told us a few months ago. With the return of the Vietnamese troops, the Phnom Penh army could believe, once again, that whenever there is trouble Hanoi will come to solve the problem. The war and the importance of military matters could give Cambodian officers a new sense of responsibility. They now play a prominent role in the nation and may want to show they can handle the fighting without external assistance.

Khmer Rouge sources claim that from the 1st to the 23rd of February 2,950 fresh Vietnamese soldiers were sent to Cambodia, especially to Battambang city, and to the provinces of Pursat and Koh Kong. Khmer Rouge's claims are routinely discarded as unreliable by most observers, but they often contain elements of truth. And during a recent visit to Cambodia, this correspondent was surprised by the number of people who said they were listening to the Voice of Democratic Kampuchea. It does not mean they believe everything they hear. But they don't blindly trust the Phnom Penh radio either. While it could be possible for the joint forces of Vietnam and Phnom Penh to push back the KPNLF and the ANS,

whose soldiers are said to have lost some of their confidence, little seems to have been done so far to deal with the stronger Khmer Rouge. Maybe Phnom Penh is just waiting for better times. The Partie of Democratic Kampuchea [DK], as well the other factions of the resistance indeed may be facing serious diplomatic problems in the future. UN sources say they expect a new challenge to the DK credentials at the next UN General Assembly. Western European countries are reconsidering their Cambodian policy and this year could abstain during the vote on the Cambodian resolution. On the other hand, sources in Washington said, there is no indication of any changes in the Bush Administration's policy toward Cambodia.

SPK Denies Propaganda on SRV Troop Presence

BK0903065890 Phnom Penh SPK in English 0440 GMT 9 Mar 90

["SPK Refutes Ill-Intentioned Propaganda on Vietnamese Troops' Presence in Cambodia"—SPK headline]

[Text] Phnom Penh SPK March 9—A few days ago, the Western mass media echoed what the radio of "Democratic Kampuchea" had cooked up about "Vietnamese troops' presence" in Cambodia. The Kampuchean news agency SPK is authorized to completely turn down such propaganda which aimed at nothing other than misleading the world public and encouraging the opposition group to harden their unconstructive [as received] stance on a solution to the Cambodian conflict.

Everybody knows that prior to the total pull-out of the Vietnamese army volunteers in September last year, the Cambodian combatants in close cooperation with the Vietnamese army volunteers conducted a major mopping-up operation and offensives against the Khmer reactionaries' hideouts, thus effectively preventing them from further infiltrating into the interior of the country to conduct acts of sabotage and subversion against the Cambodian people's peaceful life and prosperity. Since then the Cambodian army has assumed the task of national defence by itself even if it has not enough strength to cover all the geographical areas of the country. In fact, the Western media and the opposition group raised a smokescreen Vietnamese troops' presence in the country [as received] in order to intensify subversive acts of the Sihanoukists, Son Sannians and particularly the criminal Pol Potists against the innocent Khmer people along the Cambodian-Thai border.

The fact remained that during the Son Sannian troops' occupation of Svay Chek (Banteay Meanchey Province), these mercenaries had displaced more than 100 local families and put them under their control, thus causing more hardships and suffering [to] these families.

It is worthy to note that from the Paris international peace conference on Cambodia to the recent informal meeting on Cambodia in Jakarta, the government of the State of Cambodia put forth many proposals, including one for the sending of a mission to Cambodia to control and supervise the withdrawal of the Vietnamese troops from the country. But no positive response was made.

It is still fresh in everybody's mind that at the IMC in Jakarta, the Cambodian government voiced support for Thai Prime Minister Chatchai Chunhawan's proposal on an international supervision of foreign troops' pullout, the cessation of outside military aid, and a cease-fire. In addition, the Cambodian government also proposed for U.N. involvement in the organization of general elections and its monitoring of the withdrawal of the Vietnamese troops from Cambodia.

In order to avoid any mistrust and to righteously judge what the Cambodian people have tried to do to defend and rebuild their country during the past two decades, there must be a positive response to the Cambodian people's wish to live in peace and prosperity.

Any delay or intransigence in supervising controlling concluding on the withdrawal of all Vietnamese troops from Cambodia will only be used as a pretext by the Khmer opposition group to eventually escalate the civil war.

Commentary Demands End to 'Slanderous Campaign'

BK0403135990 Phnom Penh Domestic Service in Cambodian 1300 GMT 3 Mar 90

[PRACHEACHON commentary: "Put an Immediate End to the Slanderous Schemes"]

[Text] Recently, while diplomatic activities were intensified to seek a political solution to the Cambodian problem, the propaganda machines of the tripartite groups and Beijing grossly launched another slanderous campaign claiming Vietnam has sent its troops back to Cambodia and said that they do not believe the withdrawal of Vietnamese troops from Cambodia. This is merely a deceitful statement to justify the criminal acts that the tripartite groups headed by Pol Pot, Son Sann, and Sihanouk are committing against innocent Cambodians in the outlying remote areas.

It should be noted that the Vietnamese army volunteers were withdrawn from Cambodia nearly six months ago and that global public opinion and many countries in the world, including many Western countries, have agreed that Vietnam really withdrew all of its troops from Cambodia and that the report about Vietnam sending its troops back to Cambodia is groundless. At present, no one has seen any Vietnamese troops in Cambodia. What people have seen is the fact that the Phnom Penh government is tackling the problems of national construction and defense by itself. Many foreign political and press circles have praised and regarded the State of Cambodia's Government as the only bulwark to prevent the genocidal Pol Pot clique from returning to Cambodia and as the Cambodian people's only trusted government. There is sufficient proof that global public opinion has recognized the existence of the State of Cambodia, which

is currently enjoying full rights and controlling all of Cambodia. This also automatically refutes the slander that Vietnam has sent its troops back to Cambodia.

It is not accidental that the tripartite groups and Beijing were spreading this slanderous news at a time when the countries and parties involved in the Cambodian problem were holding an informal meeting in Jakarta. Such slander is aimed at diverting the attention of global public opinion and creating a pretext for worsening the situation in Cambodia and the effort to prevent the return of the Pol Pot clique, which is being vigorously condemned by the world. Also, through this slander, they have attempted to conceal all of their criminal deeds and to justify the acts of a number of countries that continue to provide them with arms. However, no matter what tricks the tripartite Pol Pot-Sihanouk-Son Sann groups and Beijing resort to, they cannot fool anyone. We vehemently condemn them and demand that the justice-loving world community apply more pressure to the tripartite groups and Beijing in order to make them immediately end their slanderous, groundless schemes. Such acts only attest to their intention to expand the civil war in Cambodia and to delay the search for a solution to the Cambodian problem.

Radio on Danger of 'Genocidal' Regime's Return

BK0903055990 Phnom Penh Domestic Service in Cambodian 1300 GMT 8 Mar 90

[Station commentary: "The Danger of Genocide Is the Most Important Issue in a Political Solution to the Cambodian Problem"]

[Text] At the recent informal meeting on Cambodia in Jakarta, Khieu Samphan rejected the meeting's final document because it used the term acts of genocide. This ringleader for the Pol Potist criminals said shamelessly that genocide is only a small matter. For the Cambodian people who have been victimized by the genocide and slaughter committed against them by the Pol Pot clique, genocide is a very critical, life-and-death problem. During the past four years, the traitorous Pol Pot clique, its lackeys, and its backers have arduously launched deceitful propaganda [words indistinct] genocidal Pol Pot regime, which is detested and condemned by people of the world who are seeking every way to prevent its recurrence in Cambodia.

To thwart the tendency toward eradicating it, the genocidal Pol Pot clique has concealed itself under the label of the Coalition Government of Democratic Kampuchea and has kept raising its voice on so-called Vietnamese aggression against Cambodia, Vietnamization in Cambodia, and violation of human rights in Cambodia. The aim of this uproar by the enemies of the Cambodian people is none other than to make global public opinion turn its attention from or forget about their acts of genocide, which are unprecedented. The Cambodian people would like to recall the fact that without the Pol Pot clique's genocidal acts, the Cambodian problem would not have occurred. The Cambodian problem was settled on 17 April 1975. It was the indiscriminate massacre aimed at exterminating the Cambodian race, which prompted the Vietnamese army volunteers to come rescue us, that has led to the so-called Cambodian problem.

During the past 11 years, the Cambodian people have been compelled to take up arms and make spiritual and material sacrifices to prevent the genocidal Pol Pot regime's return. For this reason, genocide is not just a small, ordinary matter, as some circles have thought. It was one of the two key issues accepted at JIM-1 and JIM-2 [first and second Jakarta informal meetings]. In the past 11 years, the Cambodian people, as well as peace- and justice-loving global public opinion, have been well aware of the fact that the traitorous Pol Pot clique has not abandoned its brutal acts. Samdech Sihanouk has also said that it is a big mistake to think that Pol Pot in 1979 is different from Pol Pot in the later years of the 1980's. Mr. Francois Mitterrand also announced that there should be no compromise with the genocidal Pol Pot clique. We would like to stress that in giving even a small concession to the genocidal Pol Pot clique, the survival of millions of Cambodian people would be immediately threatened. For this reason, our people would rather continue to take up arms, carry on the civil war, and even sacrifice their lives on the battlefield than accept a political solution that includes the genocidal Pol Pot clique.

Our people welcome the assertion by the Political Bureau of the Kampuchean People's Revolutionary Party [KPRP] Central Committee that the State of Cambodia's proposal on prevention of a return of the genocidal Pol Pot regime, which was unanimously approved by the Paris conference, is not just words, but is an essential principle and the key element in a solution for Cambodia. Our people fully support the KPRP's stance on the fact that the State of Cambodia will not sign any agreement or approve any document on a solution to the Cambodian problem that does not mention prevention of the genocidal Pol Pot regime's return.

Phnom Penh on Continued Operation in Svay Chek

BK0903061090 Phnom Penh Domestic Service in Cambodian 0430 GMT 9 Mar 90

[Text] After recapturing Svay Chek from the three bandit groups, the heroic combatants of our Cambodian People's Armed Forces [CPAF] with the cooperation of the local militiamen and people continued their search-and-destroy operation against the enemies in areas north and west of Svay Chek, such as in Treas, Khvav, Ta Pho, and Ta Ong communes, scoring successive victories. In clashes that took place between late February and the first week of March, our armed forces killed 60 Pol Pot, Sereika [Son Sann], and Moulinaka [Sihanouk] soldiers on the battlefield, wounded others, and seized 36 tons of arms, ammunition, and war material.

Our CPAF have valiantly carried on their search-and-destroy operation while the enemies have suffered

more serious defeats. In the same period, 19 demoralized enemy soldiers deserted the battlefield and turned themselves in to our armed forces, authorities, and people. Among them are 10 Sereika soldiers and nine Pol Pot soldiers who brought along 19 assorted weapons and a quantity of war material. At present, our CPAF are valiantly carrying on their search-and-destroy campaign.

SPK Reports Situation of Roads in Koh Kong

BK0903060290 Phnom Penh SPK in English 0433 GMT 9 Mar 90

[Text] Phnom Penh SPK March 9—The 90-km highway 18 linking the downtown Sre Ambel District to the provincial town of Koh Kong has been put into repair since early this year.

The repair is undertaken by the Ministry of Posts, Transport, and Communications in cooperation with the province's land transport service. So far, more than 10 km of the highway have been re-macadamized. The road, 6 metres wide, was subjected to severe destruction during the wartime and left uncared for till recently.

Besides, the construction of a 12-km road from the provincial town to the Cambodian-Thai border, which started in mid-1989, has been 50 per cent completed.

Chea Sim Speech Opens Army Building Meeting

BK0603071390 Phnom Penh Domestic Service in Cambodian 1300 GMT 5 Mar 90

[Text] This morning at the office of the National Assembly, a solemn meeting was held to sum up and draw experiences on building the armed forces in 1989 and to set measures for 1990. Presiding over the occasion were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of both the National Assembly and the front's National Council; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the Cambodian Federation of Trade Unions; Comrade General Tie Banh, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and defense minister; Comrade Ros Chhun, member of the party Central Committee and chef de cabinet of the front's National Council; Comrade Mean Sam-an, member of the party Central Committee and chairman of the Cambodian Women's Association; and Comrade Sam Sundoeun, member of the party Central Committee and first secretary of the Kampuchean People's Revolutionary Youth Union.

Also taking part were comrade ministers, deputy ministers, directors general, deputy directors general, representatives from various central units, comrade chairmen and vice chairmen of recruitment councils from cities and provinces throughout the country, representatives of the three types of the Cambodia People's Army, and a multitude of foreign guests. After the national anthem was played and respect paid to the memory of our cadres, combatants, and people fallen in the cause of defending the Cambodian motherland, Comrade Chea Sim read a speech opening the meeting. Here is the essence of the speech.

[Begin recording] In an atmosphere full of happiness and lofty pride, the Central Recruitment Council is honored to start today its second meeting to sum up, discuss, and assess the results of armed forces building work in the past year and, based on these experiences and achievements, set targets for activities to be carried out in 1990. Therefore, the task of our meeting is a noble one with the highest responsibility. Our meeting should pool its intellectual strength to find a brilliant key for carrying out tasks in accordance with the spirit of the resolutions of the ninth and 10th party Central Committee's sessions, decision no. 27 of the party Central Committee Political Bureau, and the spirit of the National Assembly's 18th session, in a situation in which the struggle between us and the enemy is tense, arduous, complex, and resolute in every field, particularly in the military, political, and diplomatic fields, and at a time when our entire party, armed forces, and people are doing their best to be masters and to assume themselves the task of defending the country following the repatriation of Vietnamese volunteer troops last September.

Beloved audience: In the past 11 years, despite changes in tactics and maneuvers, the absurd illusion of the genocidal Pol Pot clique and its associates of a protracted struggle to topple the State of Cambodia remains senseless and futile. The situation in Cambodia is certainly irrevocable. Regardless of the enemy's efforts in a guerrilla war, offensive, and harassment attacks to set up two regions and two administrations to expand the civil war, our advantage and strength on the battlefield remain unchanged. Our forces still remain the determining factor. Illustrating this clearly are the brilliant feats of our heroic combatants and people in Battambang, Siem Reap, and Banteay Meanchey, which have forced the enemy and Western circles to acknowledge the reality and genuine firmness of our armed forces and people throughout the country. Through these brilliant victories, the enemy was forced to sit again at the negotiating table, although its strategy still relies heavily on the military sector.

The masterly position of our armed forces and people in fully assuming by ourselves national defense tasks to replace Vietnamese volunteer troops has shown high efficiency. Although the ambition of the enemy is great, its capability remains limited. In other words, it cannot stray too far from its support bases in Thai territory. Even the genocidal Pol Pot clique, well known for its brutality, did not dare risk themselves in front of the resolute fighting determination of our heroic armed forces and people. In sum, the fighting capability of the three enemy groups is limited to threatening, intimidating, plundering, and massacring innocent and unarmed people. These groups' struggle revolves around the interests of individuals, groups, and associates,

without the slightest consideration for the people's lives and the motherland's future.

Under the leadership of the party and state, throughout 1989, our armed forces have shown political maturity, a sharp and resolute will to fight, unanimity in their ideological position, and firm will with the party and state. They have braved difficulties and endured hardship in a situation in which the country is at the same time peaceful and at war. This is clearly reflected on the battlefield where the balance of forces and advantage are in our favor. Our armed forces clearly understand that [words indistinct] in a situation of fighting and negotiating at the same time, the struggle is still resolute and cannot be mollified by a peace tendency. We genuinely aspire for peace but peace with honor and dignity to defend social and national gains and the rebirth of the motherland and our people. The enemy will never have genuine goodwill in peace negotiations for our motherland as long as it has the edge on the battlefield.

Thanks to the deeds of our heroic armed forces, which are the masters in maintaining normalcy in the military and security situation and social order in general throughout 1989, people all over the country enjoy working to increase production in accordance with the open policies set by the second national conference of cadres. This has further advanced the nation and society along with soaring prestige in the international arena of the State of Cambodia which has acted to uphold the banner of independence, peace, and national reconciliation and is the sole force capable of opposing and preventing the return in Cambodia of the genocidal Pol Pot clique and its associates. The party, government, and people throughout the country would like to wholeheartedly praise our entire armed forces and pledge to unite in the same cause of everything for serving the frontline battlefield and everything for the motherland's survival.

Beloved audience: The increasing firmness of our armed forces is obviously linked closely to our armed forces building work in which all levels of recruitment council throughout the country are major motivating forces. The promulgation of the law on duties to defend the motherland by the National Assembly's 17th session and the increase in assistance to frontline combatants have created favorable conditions for the recruitment of soldiers along with the increased attention paid to the policy toward the rear battlefield and the linking of the frontline and rear battlefields. Furthermore, the awakened spirit and self-reliance spirit have clearly emerged among our people, particularly within the ranks of our youths who are increasingly angry with the genocidal Pol Pot clique and its associates and who have vowed to fight and sacrifice themselves to defend the country's territorial integrity and sovereignty. Tasks of the first armed forces building plan have generally been successfully implemented by all levels and services. The annual plan's targets have been achieved and exceeded. Through this, brilliant feats have emerged in the burning people's war which is using more efficiently combined forces, means, and measures.

However, although we have scored results worthy of pride, the task of building our army in 1989 still remains a major and urgent issue in the immediate future to serve the national defense task which is strategic and decisive in determining the motherland's destiny and the future of our people. All types of enemies are attempting to use force and secure military advantage to build support military, political, and economic bases as bargaining power at the negotiating table. Therefore, through this second meeting on armed forces building, we should pool our physical, mental, and intellectual energy to find good experiences to promote and encourage people to carry out national defense duties on a genuine voluntary basis and on the principle of respecting and implementing laws on national defense duties correctly and equally.

Along with this, through the spirit of speaking the truth frankly, our meeting should find a key formula and unity to ensure a genuine balance between the battlefield at the border, which is the key battlefield, and the rear battlefield inside the country, which is an important and strategic battlefield in the long run. We should closely link our army building work to the real situation of our localities, society, and nation, particularly to the tasks of fighting the enemy, building and strengthening localities, building genuine revolutionary forces, and proselytizing the masses in this new historic phase.

It is obvious that in order to go deep into these issues, as well as correctly set targets for the future with efficiency, our meeting has to objectively and truthfully uncover all remaining shortcomings, big and small, particularly among the general staff, in political, logistic, organizational, and administrative tasks, and in the task to develop our army to this day. I am firmly convinced that all the comrade members of the audience will heighten their spirit of collective responsibility and collective act aimed to enable our meeting to achieve fine results cordially and with unanimity of views, wills, and activities in a common process to improve the military and security situation and ensure firm internal unity within our society and nation in every situation and circumstance. I express most profound optimism and wish the meeting success and declare open the second meeting on the tasks to build our people's army. [applause] [end recording]

This ceremony went on in a happy atmosphere full of the spirit of everything for the battlefield and everything for increasing the people's confidence in the new regime.

Ney Pena Addresses Two Communes in Battambang

BK0103163790 Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Mar 90

[Summary] Accompanied by Comrade Kim Yin, party Central Committee member and director general of the Voice of the Cambodian People; Comrade Ung Sami, party Central Committee member and secretary of the Battambang Provincial Party Committee; Comrade Him Chhem, deputy minister of information and culture;

Comrade Kep Chutdema, vice-chairman of the Central Committee's Propaganda and Education Commission; and Comrade Sok Saran, deputy secretary of the Battambang Provincial Party Committee and chairman of the province's People's Committee, Comrade Ney Pena, member of the party Central Committee's Political Bureau and chairman of its Propaganda and Education Commission, visited the population of Chrouy Sdau and Boeng Pring Communes in Battambang District, Battambang Province, on 25 February.

In his address to the local people who turned out to greet him, Ney Pena said the cause that enabled the armed forces and people to save their localities from enemy attacks and encroachments was the use of combined forces, means, and measures. Dealing with the situation of the Cambodian revolution, he said:

[Begin recording] "We have arrived at this juncture where fighting and negotiation go hand in hand, and we have reached a stage in which the struggle—both political and military—has become more arduous and complex." Some question why the war is going on and why no compromise is made at the negotiating table to end the conflict in Cambodia and restore peace and happiness for the Cambodian people. Some quarters have accused the party and government of the State of Cambodia of being stubborn, while others blamed the other side. In the search for peace, allow me to tell you that we have the true goodwill to solve the Cambodian problem politically. We are not intransigent. We want to find peace for the Cambodian people so that we can rebuild the nation after decades of war.

One thing that shows our goodwill and our desire to end the fighting is that in mid-1987 it was our party and government that declared the policy of national reconciliation, not the other side. Our major concession was the withdrawal of Vietnamese troops from Cambodia on 26 September 1989. This troop pullout is part of the solution. Everyone knows that the Vietnamese volunteer troops came to Cambodia to help save the Cambodian people, not to commit aggression against Cambodia. All of us here, all of you here are alive and well at this moment thanks to the assistance of the Vietnamese volunteer troops. In some areas, Vietnamese troops were pulled out even though we knew that many reactionary Khmer and many genocidal Pol Potists were still active against the Cambodian party and government. You might be curious to know why we were so anxious to withdraw the Vietnamese volunteer troops. We did it as part of a solution to the Cambodian problem. Another of our major concessions was our acceptance of the UN role.

"What has the other side done? Nothing. They have rejected everything. They wanted the conference to fail because they still had no territory, no population, nothing to be used as a counterweight on the battlefield. They knew they could not negotiate with the Cambodian party and state. That was why they scuttled the conference and returned to the battlefield. This explains why, immediately after the Vietnamese troop withdrawal, they started attacking us to grab territory. They did not make the slightest concession. We made concessions, but the other side did not. We demanded that Samdech Sihanouk dissociate himself from the Khmer Rouge, from the Pol Pot gang and join the party and government of the State of Cambodia in order to put an end to the conflict, but he refused to do so. He said he could not abandon Pol Pot nor could he desert China, because China is his greatest friend who has fed and supported Samdech Sihanouk for a long time. He insisted on including the faction of Pol Pot in any national reconciliation in Cambodia.

"The view and position of the Cambodian party and state are adamant: The genocidal gang has no place in the Cambodian national reconciliation. We resolutely oppose the inclusion of the Polpotists. If we agreed to their inclusion, there would be no guarantee we could prevent the recurrence of the genocidal regime in Cambodia, and Cambodia would be ravaged again. This is the reason we reject them.

"Another point is that we are absolutely not going to dissolve our State of Cambodia. We have accepted the UN role. We are ready to give to the United Nations the right to organize and supervise the elections in Cambodia, but we insist on maintaining the present status quo in Cambodia. This is because we believe that if we dissolved the State of Cambodia, the other two forces would not be strong enough to prevent the return of the genocidal regime. Of basic importance is the fact that in dissolving the State of Cambodia, there would be chaos and anarchy in Cambodian society. No one would be able to govern anyone else. There would be no law, no order, and Cambodia and the Cambodian people would lose their sovereignty. The rights of the Cambodian people would be violated. If we agreed to dissolve the present Government of the State of Cambodia, it would mean that we bestowed full powers upon the other side and we would lose the gains that our Cambodian armed forces and people have accumulated through 11 years of struggle and efforts." [end recording]

Ney Pena then urged the local people to continue efforts in building the armed forces and supporting the front. He praised them for setting a good example in sending food to frontline combatants. The ceremony wound up after Ney Pena made some monetary donations to the two communes.

Air Force Department Meeting Held on Party Work

BK2502033990 Phnom Penh Domestic Service in Cambodian 1200 GMT 23 Feb 90

[Summary] "A meeting was held recently at the conference hall of the Air Defense, Air Force, and Aviation Department to sum up the outcome of military-political work in 1989 and set targets for 1990." After Comrade Lieutenant Colonel Phan Nguon, chief of the Air Defense, Air Force, and Aviation Department, made the opening speech, all participants listened attentively to

reports on the outcome of the military, party, and political work in 1989 and setting important targets for implementation in 1990. The participants also debated the targets for implementation in 1990.

In his closing speech, Comrade Lt. Col. Phan Nguon gave a clear explanation of our advantageous position and strength in the current phase when our armed forces and people are genuinely assuming responsibility for our national destiny. He also called on all participants to strive to fulfill their respective tasks successfully.

Soviet Officials Greeted on Army, Navy Day

Bou Thang Sends Message

BK2602063890 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Feb 90

[Text] On the 72d founding anniversary of the fraternal Soviet Army and Navy, Comrade General Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and chief of the General Political Department of the Cambodian People's Army [CPA], sent a congratulatory message to Comrade General Lizichev, chief of the General Political Department of the Soviet Army and Navy. Following is the message:

On behalf of party and political workers in the CPA and cadres and combatants of the CPA's General Political Department, and in my own name, we are very happy to express to the comrade chief of the General Political Department, party and political workers in the USSR Army and Navy, and cadres and combatants of the General Political Department of the USSR Army and Navy vigorous and most sincere congratulations. Also on this occasion, we wish good health, energy, happiness, and new and greater success to the comrade Chief of the General Political Department, party and political workers in the USSR Army and Navy, and cadres and combatants of the General Political Department of the USSR Army and Navy in carrying out noble tasks assigned by the party and government. Please accept our sincere consideration.

Tie Banh Sends Message

BK2702071390 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Feb 90

[Text] Comrade General Tie Banh, vice chairman of the Council of Ministers and minister of national defense of the State of Cambodia, sent a greetings message to Comrade General Dmitriy Timofeyevich Yazov, defense minister of the USSR, on the 72d founding anniversary of the Soviet Army and Navy. The message reads in essence:

On the 72d anniversary of the founding of the fraternal Army and Navy of the Soviet Union, on behalf of all cadres and combatants of the Cambodian People's Armed Forces and in my own name, I would like to express warmest and most sincere congratulations to you and to all cadres and combatants of the Army and Navy of the Soviet Union. I wish you and, through you, the leadership of the Ministry of Defense and all cadres and combatants of the Army and Navy of the Soviet Union the best of health, happiness, and new successes in carrying out the noble tasks entrusted by your party and government.

Australian Company To Build Satellite Stations

BK2602062990 Phnom Penh SPK in English 0424 GMT 26 Feb 90

[Text] Phnom Penh SPK February 26—The Cambodian Ministry of Posts, Transport, and Communications and the OTCL [Overseas Telecommunications Commission Limited] company of Australia recently signed a document on telecommunication service cooperation.

Signatories were Net Chreng, head of Posts and Communications Department of the Ministry, and Sting Eneron, representative of the OTCL company of Australia.

Under the agreement the OTCL company will invest in the first stag some 2.69 million U.S. [dollars] for the installation of a "Vista" ground-satellite station and, in the second stage, 60 percent of a total sum of 6.45 million U.S. dollars for the construction of an "Intersat Standard's" station in Cambodia.

When these stations are completed and put into service, the OTCL company will receive 49 percent of the profits and the Cambodian side, the rest.

The signing ceremony was witnessed by Chhim Seng, deputy minister of posts, transport, and communications.

Indonesia

Suharto Decides on Phone Deal Rebidding

BK0603102990 Jakarta ANTARA in English 0904 GMT 6 Mar 90

[Text] Jakarta, Mar 6 (OANA-ANTARA)—President Suharto has decided that five companies may re-bid for the reopened tender of the 300-million US dollar Indonesian Digital Telephone System (STDI) II project, Minister/State Secretary Murdiono said Tuesday [6 March].

The five companies are Alcatel of France, Ericsson of Australia, Fujitsu and NEC of Japan and AT&T of the United States, Murdiono said after he and Coordinating Minister for Economy, Finance and Industry Radius Prawiro discussed the matter at Bina Graha [Presidential Office]. He told reporters that final decision on the winner of the re-tender could be expected in six months from now.

"In the new tender, the government's consideration will take into account the telecommunication technology

that we consider appropriate (for our need) and the funding factor both in foreign exchange and in rupiah," Murdiono said.

Concerning funding, the guide will be Presidential Instruction No. 4 of 1984. Meanwhile, the re-tender will be implemented fully in line with Presidential Instruction No. 1 of 1988. Presidential Instruction No. 4 of 1984 stipulated that foreign loan funds used to finance government projects should be repayable in 25 years or more, with a grace period of seven years or more at an interest rate of 3.5 percent or less a year. Presidential Instruction No. 1 of 1988 sets down the procedure for determining the winner of a government tender.

Asked who will make the final decision on the re-opened tender, Murdiono explained it will be the president, after receiving a report from the coordinating minister for economy, finance and industry.

President Suharto decided on February 26 to re-open the STDI II tender because none of the five finalist bidders had been able to meet all the requirements set down by the government.

Suharto Speaks on Reducing Socioeconomic Gap

BK0703104390 Jakarta THE JAKARTA POST in English 19 Feb 90 p 12

[Text] Jakarta (JP)—President Suharto says that his government is determined to reduce the social gap and remove jealousies in the society. He told provincial governors who had just ended a conference here Saturday [17 February] that despite unfavorable world economic conditions Indonesia had been successful in reducing the number of people living below the poverty line to 24 percent of the population.

Home Affairs Minister Rudini who accompanied the govenors to the meeting with the President at the Bina Graha quoted Suharto as saying that thanks to a constant growth rate in the nation's economy fewer Indonesians were now living below the poverty line.

Suharto acknowledged that a social gap still existed. "Therefore, the government will cotinue with its efforts to reduce the social gap in the society," the President said, adding that the gap not only could cause jealousies and social unrest but also might hamper national development.

He said one way of closing the gap and removing jealousies is to let cooperatives hold shares in successful businesses. "At the start of national development, everyone began in the same condition but then not everyone had the same skill and experience. After some years of development, some were successful, while others were not," the President said. It looks as if there has emerged a group which is glaringly succesful, while others are not so successful leading to a gap which may cause jealousies," he said.

The President said that development programs financed by the so-called Presidential Instructions (Inpres) funds had been successful in strengthening national resilience in the economic sector. Therefore, he said, efforts should continue to support the Inpres programs. He called on the governors to take an active part in managing the Inpres funds used for both urban and rural development projects and support the working of the village cooperatives.

Suharto also called on the governors to continue efforts at maintaining Indonesia's self-sufficiency in rice, an achievement which, he said, had won world recognition.

The President said development programs in the provinces should be linked with the national interest as a whole. "No development program should be drawn up only in the interest of the region concerned because the ultimate objective of the programs is to promote equality and create a just and prosperous Indonesian society," he said. "In drawing up development programs, we need to bear in mind the ideal basis of Pancasila and the constitutional basis of the 1945 Constitutional as well as the operational basis of the broad outlines of the state policy," Suharto said.

Minister Views Loan Repayment in 1990-91

BK0703111590 Jakarta THE JAKARTA POST in English 20 Feb 90 p 1

[Text] Jakarta (JP): Finance Minister J.B. Sumarlin said yesterday that principal payments on government foreign debts in the coming 1990/91 fiscal year would amount to US$4.03 billion and interest payments to $2.76 billion. "Most of the payments will be made for Japan, West Germany, the World Bank and the Asian Development Bank [ADB]," Sumarlin told a hearing with the House Budgetary commission. He added that about 80 percent of the debt service payments would be made in the American dollar, Japanese yen and the Deutsche mark.

The minister explained that foreign loan commitments that had not been disbursed at present were estimated at $12.4 billion but he did not give further details.

He said the commitment fee for the undisbursed foreign loans amounted to about 0.25 percent but the fee was charged only by the World Bank and ADB.

Replying to a question about oil export prospects in 1990/91, he said that the $8.58 billion export earnings from oil and natural gas were projected on the basis of:

—Crude oil exports of 274.6 million barrels at an average price of $16.50 per barrel.
—Refined oil product exports of 62.3 million barrels at $18.74/barrel.
—Liquefied natural gas exports of 989 billion British thermal units [BTU's] at $2.8/million BTUs.
—Liquefied petroleum gas exports of 2.3 million tons at $113 per ton.

Sumarlin added that the $7.68 billion deficit in the service account of the balance of payments in 1990/91 would consist of $2.6 billion in payments for the oil and natural gas sector and $5.06 billion in payments for other sectors. "Of the $5.06 billion in payments for the services of other sectors (outside oil and gas), $1.7 billion will go to freight costs, $3.12 billion will be in the form of profit repatriation, $894 million will go to travel expenses overseas and the remainder to other services," the minister added.

Replying to another question, Sumarlin explained that the government was preparing regulations which would require companies intending to go public and those already listed on the stock exchanges to make full disclosures on their operations.

Official Tells Investors Not To Doubt Rules

BK0703053590 Jakarta ANTARA in English 0417 GMT 7 Mar 90

[Text] Jakarta, Mar 7 (OANA-ANTARA)—Chairman of the Investment Coordinating Board (BKPM) Sanyoto Sastrowardoyo here Tuesday [6 March] told domestic and foreign businessmen not to doubt the investment regulations in Indonesia.

BKPM will give widest opportunities to Indonesian companies wishing to establish cooperation with fellow national companies, and even with foreign interests on the basis of a technical assistance agreement, as such a scheme constituted a business accord between private parties, Sanyoto said here on Tuesday when installing new BKPM officials.

The government will not evaluate the contents of such agreement as long as they are not against the law in this country, he said.

Touching on the recent public attention to BKPM, he said it was an indication that the agency has been playing an increasingly important role. It also indicated that the people have become increasingly critical of any step and decision made by BKPM, he added.

Sanyoto called on all BKPM officials to be careful in deciding and approving any investment scheme, as such decisions may have far-reaching effects on the public. He also called for serious efforts to monitor the rapid changes taking place in the global economy and technology in the hope of increasing foreign investments in Indonesia.

The government will need investments totalling 239.1 trillion rupiah in the early days of the Fifth Five-Year Development Plan (Repelita V, 1989/94) to reach an annual economic growth rate of five percent, he said.

For the purpose, he said, the policies and strategies in improving the investment climate relating to the political, economic, financial and technical aspects, will have to be engineered accurately.

Launch Delay Possible for Palapa Satellite

BK0603123790 Jakarta ANTARA in English 1009 GMT 6 Mar 90

[Text] Jakarta, Mar 6 (OANA-ANTARA)—The launching of Indonesia's Palapa B-2R communication satellite by a Delta rocket from Cape Kennedy, which was originally scheduled for March 30, might be delayed, Director General for Posts and Telecommunications Abdul Rakhman said here Tuesday [6 March].

An Indonesian technical team reported from the United States space center in Cape Kennedy, one of the two launching pads for Delta rockets at the center is now being readied for the launching of a US satellite. "According to schedule, the launching of the US satellite will come before the last stages of preparation for the launching of the Palapa B-2R could be completed," Abdul Rakhman explained. Preparation for the launching of the US satellite, he added, could affect the schedule for the Palapa B-2R, which was originally set for March 29 in the United States or March 30 in Indonesia.

Abdul Rakhman declined to identify the US satellite but said that by existing US stipulations, the launching of government satellites should take precedence over commercial satellite. Sixteen satellites besides the Palapa B-2R are waiting to be launched from Cape Kennedy using Delta rockets. The time difference between two launchings should not be less than one month, Abdul Rakhman said.

Launching and launching preparation development at the space center is continuously monitored by the Indonesian technical team since some time.

Laos

Article Says Khmer Rouge 'Saboteur' of Peace

BK0703033990 Vientiane Domestic Service in Lao 0000 GMT 6 Mar 90

[Unattributed article: "Khmer Rouge Is Saboteur of Efforts To Build Peace in Cambodia"]

[Text] The informal meeting on Cambodia, IMC, was held in Jakarta, the capital of Indonesia, from 26 to 28 February. The meeting was held in circumstances different from the first and second Jakarta informal meetings [JIM-1 and JIM-2] as well as the Paris international conference on the Cambodian problem because one of the two major problems agreed upon at JIM-1 and JIM-2 has already been solved as a result of the total withdrawal of Vietnamese volunteer troops from Cambodia. The remaining problem is preventing the genocidal Pol Pot regime from returning to power in Cambodia.

In his speech delivered at the IMC, Phoun Sipaseut, vice-chairman of the Council of Ministers, foreign minister, and head of the delegation of the Lao People's Democratic Republic, said: the longer the Cambodian

resistance factions prolong the war and the more loss of life they inflict on the Cambodian people, the more indignant the Cambodian people become and the more appreciative world public opinion is of the danger arising from the genocidal Pol Pot regime, which might yet return to power in Cambodia. All efforts to legalize the Khmer Rogue, including the form of doing away with the old political situation in Cambodia, will certainly result in increasing the danger. Everyone knows that the Khmer Rouge's true nature remains unchanged, but some groups continue to allow them to veto the successes achieved at the JIM-1, JIM-2, and Paris international conference. After the meeting, Australian Foreign Minister Gareth Evans, the architect of the important 24 November 1989 proposal for settling the Cambodian conflict, said in an interview that the failure of the meeting could be attributed to the Khmer Rouge, who were not prepared for peace talks.

Nguen Co Thach, SRV foreign minister and head of the SRV delegation to the meeting, said in an interview in Ho Chi Minh City on 1 March that the meeting was not successful in the sense that it failed to reach any joint document. However, it is obvious that the matters which were discussed and agreed upon at the meeting were more significant than what emerged from previous international conferences on Cambodia. The cause of the failure of the meeting was that the Khmer Rouge refused to include in the document a ban on the resurgence of genocidal policies and actions by the Khmer Rouge. This issue had been agreed upon at the previous JIM's and the Paris conference on Cambodia, and it was reiterated at this meeting, but the two cochairmen let the Khmer Rouge have the right to veto. This is like a criminal vetoing the verdict of the judge. The two cochairmen did not exercise their right accredited by this international conference to decide an issue which was agreed upon by various countries. In fact, the Khmer Rouge is always the saboteur of efforts to build peace in Cambodia.

Bolikhamsai Party Committee Plenum Concluded

BK0803035490 Vientiane Domestic Service in Lao 1200 GMT 7 Mar 90

[Text] The Lao People's Revolutionary Party [LPRP] Committee of Bolikhamsai Province recently convened a plenary session chaired by Bounthon Losaipan-gna, secretary of the party committee and chairman of the administrative committee of the province, with the attendance of all members of the provincial party committee. At the session, participating delegates together assessed the performance of the party committee in 1989, particularly in providing leadership to all services to carry out work in all spheres and in translating into reality the resolutions and guidelines adopted by the party Central Committee in the new period of restructuring in our country.

In early March, the party and administrative committees of the province also held an enlarged meeting to review lessons on positive points and remaining problems from the activities in building economic foundations in the past year. The meeting also outlined the orientation for the socioeconomic plan for 1990. It was reported that during the same period, the organizational service of the party committee of Bolikhamsai Province also held a meeting to review party organizational and supervisory activities in building the party and training cadres in 1990. The meeting also publicized an instruction of the party committee on convening a three-day plenary session, the regulations on cadres management, the direction in building the party from 1990 to 1995, and a number of other documents.

Kaysone Phomvihan Receives French Ambassador

BK1902112290 Vientiane KPL in English 0908 GMT 19 Feb 90

[Text] Vientiane, Feb. 19 (KPL)—Chairman of the Council of Ministers Mr. Kaysone Phomvihan received here on Feb. 17 a courtesy call by Mr. Daniel Dupont, ambassador extraordinary and plenipotentiary of the Republic of France to Laos, who presented his credentials to the Lao acting president Mr. Phoumi Vongvichit on Feb. 5.

The two personalities highly valued the growing friendly relations between Laos and France and expressed hope for the more fruitful relations leading to the mutually beneficial cooperation between the two countries' peoples based on the agreements reached during Mr. Kaysone Phomvihan's visit to France last December.

Philippines

Higher Bases Compensation 'Might' Be Sought

HK0903035790 Manila THE MANILA CHRONICLE in English 9 Mar 90 p 1

[By staff member Chay Florentino]

[Text] The Philippines might use the failure of the U.S. to deliver the entire $962 million it pledged during the 1988 bases negotiations to justify an increased demand for compensation in the event actual negotiations for a new treaty take place, Foreign Secretary Raul Manglapus indicated yesterday.

In a press conference, Manglapus said, "There are some items which have not been complied with which may be difficult to make up for." He was referring to the waiver of the Berry Amendment. The waiver would have allowed U.S. bases in the Pacific to purchase $30 million worth of Philippine products. He said American procurement officers may already have made their purchases for this year, such that the Philippines can no longer take advantage of the waiver.

In the U.S., Secretary of State James Baker told a House appropriations subcommittee that while he expected "a positive result" from negotiations on the bases extension, he and President Bush shared the view that the U.S.

should maintain bases in another country only as long as the host wants U.S. forces there.

Manglapus said the exploratory talks on the bases will take place either on April 18 or 19, but no specific agenda had been agreed upon by the two sides.

When asked how the U.S. compliance with its commitment would affect the Government's decision to go into actual negotiations for a new treaty, Manglapus replied: "I think it would be very important for us to have a clear idea of the reasons why there have been shortfalls, and of the attitude of the U.S. towards making up for these shortfalls and of the time frame they have in mind for making these up."

Manglapus indicated that the Philippines this time will not be content with mere "best efforts" commitments from the U.S. He said that given the treaty requirement of the Constitution, it may be not only "unnecessary, but inconvenient and out of harmony of the character of the charter" to have only a "best efforts" pledge from the U.S.

Rebels Reportedly Kill American in Masbate

HK0803154090 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Mar 90

[By Vic Pambuan]

[Text] Communist rebels have once again manifested their strong opposition to the presence of the U.S. military bases in the country, by mercilessly killing an American national in Masbate. The victim was identified as (Stewart Robb), a rancher living in sitio Parmaruan, Milagros, Masbate, where the killing took place March 4th.

In a report reaching Camp Crame, 10 men suspected to be members of the CPP-NPA [Communist Party of the Philippines-New People's Army] entered (Stewart)'s house, and robbed him of his personal belongings, including a stallion and several items which were said to be of importance to the victim. The report stated that the perpetrators had taken one of the victim's aides, Felipe Sta. Cruz hostage, and asked him which places the victim frequented, but the aide refused to talk. From information gathered by the suspects, they learned that (Robb) went to town. They waited for him and when a car carrying the American arrived, the suspects stopped it, and ordered him to get out, then immediately riddled him with bullets. The victim's body was taken by members of the 226 PC [Philippine Constabulary] to their headquarters in Masbate. PC operatives launched a search for the suspects, some of whom were identified by their aliases as Comrade Darwin, Sulpicio Ilaw, Michael Romero, and a certain Diarco Bautista alias Grant.

Masbate authorities suspect that the rebels killed (Stewart Robb) because he was suspected of being a CIA agent. It will be recalled that several Americans have been killed in the country, which only proves that the communist rebels want the removal of the U.S. bases. However, only recently, AFP [Armed Forces of the Philippines] Chief of Staff General Renato de Villa said that the bases will remain.

Trade Protocol Signed With China, Vietnam

HK0903084590 Manila THE MANILA CHRONICLE in English 9 Mar 90 p 14

[By staff member Corrie S. Narisma]

[Text] The Philippines and China have set a $400 million to $450 million bilateral trade target for this year, the Department of Trade and Industry (DTI) announced yesterday. Bureau of International Trade Relations director Antonio Basilio, and his Chinese counterpart, Second Department of Regional Affairs deputy director Li Shuilin, signed recently the 1990 RP [Republic of the Philippines]-China Trade Protocol. The signing was held in Beijing during the 13th session of the Philippine-China Joint Trade Committee.

The trade protocol, the DTI said, contains the indicative list of products and the target volumes that the two parties agreed to buy from each other during the year.

For this year, China will buy from the Philippines some 200,000 to 400,000 metric tons of phosphatic and compound fertilizers; 25,000 to 60,000 metric tons of coconut oil; 10,000 to 20,000 metric tons of fresh bananas; 60,000 to 80,000 metric tons of copper concentrates; 6,000 to 12,000 metric tons of copper cathodes; 50,000 to 90,000 metric tons of chrome ore; 10,000 to 30,000 cubic meters of plywood;

1,500 to 2,000 metric tons of cashew nuts; 2,000 metric tons of refined glycerine; 5,000 metric tons of wire rods; 1,000 to 2,000 metric tons of polyester fibers; 2,500 to 5,000 metric tons of coffee and coffee beans; 50,000 to 100,000 metric tons of raw sugar; 5,000 to 10,000 metric tons of cold-rolled steel coil; 50,000 to 100,000 pieces of black and white picture tubes; 2,000 to 4,000 metric tons of copper wire bars, rods and slabs; and PVS resins, among others.

The Philippines, on the other hand, will import from China this year the following commodities: 150,000 to 250,000 metric tons of crude oil; machinery and equipment; electrical products; coal; textile; steel billets; minerals and mineral products; industrial, agricultural and pharmaceutical chemicals; foodstuffs such as rice, corn and others; cotton; soybean meal; cement and others.

The volume and the specific types of goods that will be imported from China will be decided according to the needs of Philippines.

Also, the Philippines and the Socialist Republic of Vietnam signed yesterday the supplementary list to the trade protocol between the two countries reached last Jan. 9, 1978. The two parties have agreed to increase Philippine exports to Vietnam from seven items to 31

and the corresponding adjustment in the number of items imported by the country from Vietnam from 17 to 33.

Under the agreement signed yesterday, the following will be included in the list of products imported by Vietnam from the Philippines: dyestuff, polyester fiber, fertilizers, medicinal and pharmaceutical products, agrochemicals, pesticides and insecticides, galvanized iron sheets, steel bars, beers and others. Vietnam will also include in its list of exports to the Philippines products which include chrome ore, tin ore, titanium powder, lime powder, silica sand, industrial sale, soya bean and others.

Review Discusses Trade Imbalance With China

HK0803103790 Manila BUSINESS WORLD in English 8 Mar 90 p 2

[By reporter Alice F. Cabotaje]

[Text] China has been buying less and less from the Philippines for four years now. Department of Trade and Industry (DTI) data show that for last year, China bought only $50.033 million worth of Philippine exports, a 25.10% drop from $66.802 million in 1988 and a far cry from the $400- to $450-million target set in the 1989 trade protocol.

In 1987, Philippine exports to China amounted to $37.950 million, a 16% slide from $104.689 million in 1986. DTI's latest review of the 1989 trade protocol shows that in January to October last year, China imported only 14 products out of the 27 commodities listed in the trade protocol.

The products were: phosphatic and compound fertilizer, coconut oil; fresh bananas; chrome ore; plywood; polyester fiber; coffee and coffee beans; construction materials; lumber; other fruits such as fresh mangoes; chemicals; abaca; paper and paper products; and pharmaceutical preparations.

A closer look at the figures reveals a sharp decline in sales to China of the big-ticket items, namely: phosphatic and compound fertilizer; coconut oil; fresh bananas. Noted too, was the absence of copper concentrates, copper cathodes and cashew nut exports.

"They (Chinese) keep telling us that our prices are too high. If it's not price, they insist on buying volumes that we cannot produce," said a DTI official when asked about the country's poor exports performance to China.

On the other hand, the country has been buying more and more from China since 1986, save last year. The 1989 trade protocol review shows that January to October last year found the Philippines importing almost all of the Chinese products listed in the trade protocol.

Last year's imports amounted to $220.571 million, about $19.803 million less than total imports of $240.374 in 1988. Imports in 1987 on the other hand, reached $205.562 million, a 85.72% rise from 1986 imports of $110.686 million.

DTI figures show that for the 10-year period 1979-1989, the country's trade imbalance with China has hit $1.31 billion. The highest trade deficit for the Philippines was $196 million in 1985 while the lowest was $6 million in 1986.

For last year alone, the country's trade deficit amounted to $170.538 million. This figure, however, is slightly less than 1988's trade deficit of $173.572 million.

To correct the trade imbalance, the DTI launched an export program scheme last August. Under the scheme, importers of Chinese products need to submit an export program of Philippine products to China in an amount equivalent to the value of importation from China. In other words, importers must export $1 worth of goods for every $1 of imports from China.

Despite protests from local importers and China, this scheme will still be enforced, said the DTI official. "Otherwise, our trade deficit (with China) will continue to widen," the official said.

Meanwhile, the Philippines and China signed the 1990 Trade Protocol last March 1 in Beijing. It has set a bilateral trade target of $400- to $450 million, the same target in last year's trade protocol.

Envoy on Greater Role of China, Japan in Region

HK0903085190 Quezon City MALAYA in English 9 Mar 90 p 2

[By Ellen Tordesillas]

[Text] Ambassador to Malaysia Rodolfo Severino has called for the formation of a "new strategic order" in Southeast Asia as he warned of a greater political and military role of China and Japan in the region due to the reduction of forces of the United States and the Soviet Union.

In a memorandum to the Office of Asia and Pacific Affairs of the Department of Foreign Affairs, Severino said: "The perceived diminution of the superpowers' interest in East Asia and of their forces in the region could provoke China and Japan into becoming more assertive politically and even militarily in regional affairs."

Stressing that "diminution" is not "elimination," Severino said a more assertive China and Japan is the logical reaction to the unpredictability brought about by changes in the region.

Last January, the Soviet Union withdrew some of its planes and warships from Cam Ranh Bay in Vietnam. The U.S. has announced the pullout of 120,000 of its forces from Asia-Pacific. The reduction of superpower forces had been hastened by the democratization of socialist countries in Eastern Europe.

Severino said although superpower disputes in East Asia and South China Sea have been reduced, the conflicting claims of five countries over the Spratly islands and the overlapping maritime boundary claims of the Philippines and Malaysia remain a source of concern. Severino said: "These tendencies must be carefully managed and proceed in an orderly way if their effects on the societies and peoples of Southeast Asia are to be benign."

As a result partly of the upheavai in Europe, a new strategic order in Southeast Asia should and could emerge perhaps sooner than expected, Severino said.

"As host to U.S. forces and in view of its geographic location, the Philippines must play an active role in the shaping of that new order, notwithstanding its severe internal difficulties," Severino said.

Japan's ODA to Philipppines To Be 'Untied'

OW2302142290 Tokyo KYODO in English 1104 GMT 23 Feb 90

[Text] Manila, Feb. 23 KYODO—Japan's Official Development Assistance (ODA) to the Philippines will be fully "untied" from conditionalities starting this year as part of a new Japanese policy, a Japanese Embassy official in Manila said Friday. Takeshi Yagi, chief of the Embassy's Economic Division, told reporters the new policy was adopted following an agreement reached by members of the Organization for Economic Cooperation and Development (OECD) that loan assistance from developed to developing countries should generally be untied.

Japan's ODA to the Philippines over the past years has been partially tied to such conditions as procurement of equipment and machinery needed in projects financed by ODA loans exclusively from Japanese companies.

The 16th yen loan package, which is equivalent to 18.25 billion pesos and is the latest ODA from Japan to the Philippines, will be the last loan package to be "tied," Yagi said. He said that of the total, about 3.67 billion pesos—or half of the total financial sector loan extended to the country under the package—has not yet been released.

Yagi stressed that among developed countries extending ODA to developing countries, Japan was second in terms of the untied portion of its total loans since 1986.

West Germany was first, with 71 percent of its ODA untied, followed by Japan with 64.6 percent, Britain at 42.9 percent, France at 43.5 percent, the United States at 12.5 percent, and Italy at 2.4 percent.

President Aquino Opens Japanese-Funded School

OW0803124890 Tokyo KYODO in English 1143 GMT 8 Mar 90

[Text] Manila, March 8 KYODO—Philippine President Corazon Aquino Thursday hailed the "strong partnership in the quest for peace" between Japan and the Philippines.

Aquino was speaking at the inauguration of a typhoon-resistant schoolhouse in the central Philippine Province of Naga, some 250 kilometers southeast of Manila. The school was partly funded by Japan. The school building-house is one of 72 built as part of a 542 million peso joint project of the Philippine Government and the Japan International Cooperation Agency (JICA). JICA is shouldering 75 percent of the project's total cost.

Phase one of the project involves building 50 high school and 22 elementary school buildings in the four provinces and two cities of the Bicol Region in the central Philippines that has been battered by typhoons.

In a speech to Philippine and Japanese officials, Aquino said, "Over the years, our two countries have forged a strong partnership in our common quest for regional peace and development. May it remain that way for generations to come. If peace is indeed learned, then the quest begins in our schools," Aquino said.

In related news Thursday, the Asian Development Bank announced the approval of a 1.27 million dollar technical assistance grant for a water supply project in Metropolitan Manila. The project is expected to help alleviate the city's current water shortage and will be financed by the Japan Special Fund.

De Villa Names Dumancas as New Navy Chief

HK0803101590 Manila MANILA BULLETIN in English 8 Mar 90 pp 1, 17

[Text] Gen. Renato S. de Villa, AFP [Armed Forces of the Philippines] chief of staff, yesterday named Commodore Mariano Dumancas Jr. flag officer in command of the Philippine Navy (PN), effective tomorrow, March 9.

Dumancas will replace Rear Adm. Carlito Y. Cunanan who retires on April 1. This is part of the revamp of four major services of the AFP, De Villa said.

Last February, Maj. Gen. Jose L. de Leon Jr. turned over command of the Philippine Air Force (PAF) to Brig. Gen. Gerardo Protacio.

Maj. Gen. Manuel Cacanando, Philippine Army (PA) chief, was replaced by Brig. Gen. Guillermo Flores last March 1.

Brig. Gen. Pedro D. Juachon Jr relinquished command of the AFP Training Command at Camp Capinpin, Tanay, Rizal, to Army Col. Antonio C. Yamzon in a

simple ceremony with Commodore Carlos Agustin, AFP deputy chief of staff for personnel, witnessing the turnover ceremony.

Dumancas, a member of Philippine Military Academy Class 1960, used to be Philippine Fleet commander. Yamzon, the new commanding officer of the AFP Training Command, was its deputy commander.

The early relief of Cunanan and Juachon is designed to give retirees enough time to attend to official and personal matters before their retirement date, De Villa said.

Courts Mobilized for 'Nonstop' Coup Probe

HK0903095790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Mar 90

[By Vic Pambuan]

[Text] Armed Forces Chief of Staff General Renato de Villa is getting impatient with the fruitless investigations of people suspected of involvement in the past failed coup d'etat. In view of this, General de Villa ordered the mobilization of two more court martials for a non-stop trial of officials and enlisted men who were involved in the failed coup d'etat. Basing on new court martial guidelines, De Villa ordered members of the various military courts, probing the 1 December failed coup attempt, to temporarily abandon their other jobs to enable them to serve full time in their court duties.

The courts mobilized by De Villa to help in the nonstop probe of military members involved in the coup attempt were the General Court Martial Nos. 14 and 15. He added that at present, there are about 170 officials and 2,000 enlisted men who are undergoing pre-trial investigation. In the past days, members of the General Court Martial have to perform their duties, both in court and in their regular assignments, which De Villa claimed as being the reason why the hearings and investigations have been delayed.

According to De Villa, it is only proper that disposition on cases should be sped up so that the guilty may be punished and the innocent be released and be sent back to their original posts.

Navy Captain Gives Evidence on RAM Group

HK0803103190 Manila MANILA BULLETIN in English 8 Mar 90 pp 1, 14

[By E.T. Suarez]

[Text] Philippine Navy Capt. Rex Robles said yesterday that he had disassociated himself from the Reform the Armed Forces Movement (RAM) after the EDSA [Epifanio de los Santos Avenue] revolution in 1986 when some of its members manifested their desire to intervene in running the government. Robles said he has always been against military intervention "because it could easily lead to dictatorship."

Robles, who testified before the Davide Commission, also said that he doubts the strength of RAM to overthrow the government after the Dec. 1-7 failed coup, but added that it could regroup and regain its strength unless the government effectively addresses the soldiers' valid grievances. He estimated that RAM has about 150 active members in Metro Manila and about 500 nationwide.

Now chief of staff of Naval District II based in Legaspi City, Robles denied his participation in the Aug. 28 1987 and the Dec. 1-7 coup attempt, saying that he saw to it that their camp followed the AFP chain of command during that crisis. Asked whether he was approached to join the last coup attempt or somebody attempted to recruit him, Robles answered in the negative.

He told the five-man probe body that before the Dec. 1-7 failed coup, he received so many rumors about it but he did not believe them. Robles said, however, that a businessman whose request for help he had turned down accurately predicted the last coup. He did not give the name of the businessman during the open hearing, but it was presumed that he had done so after the probe body held a closed door executive session.

On whether he would arrest cashiered Lt. Col. Gregorio "Gringo" Honasan and in case he would know his whereabouts, Robles, who topped his class at the National Defense College (NDCP) in 1984, said, "Because of my friendship with Honasan, I may do so with great reluctance," but he added he hopes other soldiers would do it.

Robles, acknowledged to be one of the EDSA heroes, said the last coup might have been staged by the splintered groups of the RAM and the Marcos Loyalists who decided to join forces to seize the government by force.

Robles lamented his being detained for nine months without charges in connection with the killing of labor leader Rolando Olalia, but expressed willingness to remain with the military until he retires. He said [he] will be retirable after 11 years more. He said he entered the military when he was only 17 years old.

More Reportage on Suspended Governor Aguinaldo

Aguinaldo Admits 'Responsibility'

HK0903044590 Manila Far East Broadcasting Company in English 2300 GMT 8 Mar 90

[Text] Suspended Cagayan Governor Rodolfo Aguinaldo claimed responsibility for the killing of Civil Relations Chief Brigadier General Oscar Florendo and called it a mistake. Aguinaldo said he was responsible for Florendo's death but that there was really no intention to kill General Florendo or any of the hostages. But according to Aguinaldo there are circumstances that could not be avoided. He said he even instructed the soldiers guarding Florendo not to hurt him. Aguinaldo [word indistinct] of this in his letter coursed through his

legal counsel Vic Padilla. Hours before Aguinaldo sent the letter, Padilla appealed to Aguinaldo to surrender peacefully before troops conducting pursuit operations would withraw from their positions. However, there was no order from AFP [Armed Forces of the Philippines] General Renato de Villa for any troop withrawal. According to De Villa, the time of Aguinaldo for his surrender is not negotiable. De Villa asked Aguinaldo to simply give himself up to any military commander.

Aguinaldo Says Death 'Unfortunate'

BK0903052290 Manila PNA in English 0438 GMT 9 Mar 90

[Text] Tuguegarao, Cagayan, Philippines, March 9 (OANA/PNA)—Suspended Cagayan Governor Rodolfo Aguinaldo took responsibility for what he called the "unfortunate" death of Brigadier General Oscar Florendo, but said in a letter to authorities his men did not mean to hurt him. He is also reported to have asked for a marine officer who was his classmate at the Philippine Military Academy to discuss his surrender. The officer, Lieutenant Colonel Librado Ladia, who described Aguinaldo as a close friend, was set to leave for Tuguegarao Thursday [8 March].

Meanwhile, two senators claimed Thursday to have received surrender feelers from the renegade official, even as Defense Secretary Fidel Ramos is scheduled to fly here Friday for a Peace and Order Council meeting.

In Presidential House, President Aquino lashed at Aguinaldo, blaming him for Florendo's death and for keeping a private arsenal. She called Florendo "an officer and a gentleman of the finest order. The time for playing games is over," she said in a statement. "Compassion belongs to those who return to the ways of peace, but violence is its own punishment."

Aguinaldo Assured of Safety

HK0903093390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Mar 90

[Text] President Corazon Aquino today gave assurance for the safety of suspended Cagayan Governor Rodolfo Aguinaldo if he surrenders to the government. The president added that the assurance lies in the democratic system which is strictly abided by the government. Meanwhile, Mrs Aquino also firmly rejected the conditions stipulated by Aguinaldo for his surrender, notably his demand for withdrawal of troops currently hunting for him.

In a press statement read by Press Secretary Tomas Gomez III, the president said:

[Begin recording in English] Aguinaldo can peacefully surrender if he really wants to but he cannot impose conditions such as the withdrawal of our troops. The assurance of his safety is the democratic processes and the rule of law to which we have, as he can directly see, strictly adhered. [end recording]

Aguinaldo's planned surrender did not materialize because of his refusal to be imprisoned. This followed a statement by Justice Secretary Franklin Drilon that the Supreme Court's decision granting provisional liberty to Senator Juan Ponce Enrile cannot apply in Aguinaldo's case.

Two Cagayan Mayors Arrested

HK0903092790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Mar 90

[Text] Two Cagayan town mayors who supported suspended Cagayan Governor Rodolfo Aguinaldo were arrested. They were: Mayors Bubut Rodriguez of Santa Ana and Gerocio Antiporta of Buguey. The two men were arrested by military and police forces when they attended a Cagayan officials' meeting in the capitol.

Meanwhile, Attorney Vic Padilla, Aguinaldo's lawyer, questioned the arrest, claiming that it was carried out in the absence of charges or an arrest, warrant.

In a related development, an official of the 17th Infantry Battalion reportedly joined Aguinaldo's group. He was identified as Lieutenant Mamaril, company commander of the 17th Infantry Battalion and a class of 1985 graduate of the Philippine Military Academy. Mamaril was a member of Aguinaldo's security group which went to Tuguegarao and took General Oscar Florendo hostage.

A DZRH source claimed that many Scout Rangers joined Aguinaldo because of their discontent with the commanding officer of the 17th Infantry Battalion, Major Rogelio Rosete.

De Villa Replaces Battalion

HK0903103990 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 9 Mar 90

[Text] Armed Forces Chief Renato de Villa reported that the 17th Infantry Battalion has been recalled from Cagayan. The troops will undergo retraining. They were assigned in the province to maintain peace and order. According to De Villa, they will be replaced by the 66th Infantry Battalion.

Aquino Orders April Reopening of Laoag Airport

HK0903110390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Mar 90

[Text] President Cory Aquino ordered the reopening of the Laoag international airport which has been closed for four years now since the departure of former President Ferdinand Marcos. At the same time, the president also ordered the resumption of Philippine Airlines domestic flights.

The president's order for the reopening of the Laoag international airport on 15 April followed a recommendation by the cabinet cluster on security and political development.

In a press statement, the president said the reopening of the airport will promote commercial and economic activities in the northern Philippines. she also voiced hopes for increase in domestic and foreign investments as well as for growth of the tourism industry. The president instructed Transportation Secretary Oscar Orbos to form an interagency task force to see to the effective implementation of her order on the reopening of Laoag international airport.

Marcos 'Associate' Said Recruiting Congressmen

HK0903035990 Manila THE MANILA CHRONICLE in English 9 Mar 90 pp 1, 9

[By staffmember Rex Aguado]

[Text] Eduardo "Danding" Cojuanco has been meeting with some members of the House, including officials and influential members of the ruling lakas ng Demokratikong Pilipino [Struggle of Philippine Democrats—LDP], in an apparent bid to "recruit" them into a grand opposition alliance. This was disclosed yesterday by House Majority Floorleader Francisco Sumulong (Rizal), a presidential relative and a ranking LDP member, in the wake of reports that Cojuangco, a close business associate of the late Ferdinand Marcos, has joined forces with the opposition Nacionalista Party. [Nationalist Party—NP]

"Danding is very much around. I believe he has been talking with some House members, including some from the LDP. It's probably his way of collecting political debts," Sumulong said.

A House source said that Cojuangco has "appointed" Zambales Rep. Katherine Gordon, a member of the House Coalesced Minority representing the Kilusang Bagong Lipunan [New Society Movement], as his emissary. Gordon, the source said, has made all the arrangements for the usually clandestine meetings between Cojuangco and a number of congressmen. Gordon, however, denied this. She said Cojuangco was a family friend, and that "a friend in need is a friend in deed." She said she has heard of the meetings but called them "business meetings".

"Danding has a lot of business interests in the country so it's just normal for him to see some people. It's no big deal if he meets with congressmen," Gordon said. "We will always be friends forever and ever."

Sumulong said that Cojuangco's "dialogues" with some House members could be "a start toward forming an opposition group." Sumulong, however, dismissed the possibility that Cojuangco's "recruitment" could "undermine" the hold of the LDP and the Aquino Administration over the House. He added that Cojuangco would be "ill-advised" in joining any political party "at the moment" since everything is still very fluid."

"What's more, I don't think Danding's alliance with (Vice President Salvador) Laurel and the NPs (Nacionalista Party) would last since it's hard to even imagine these two agreeing on principles," Sumulong said.

Sumulong said it was not unlikely for Cojuangco to have presidential ambitions, as evidenced by his meetings with some politicians these past few months.

Meanwhile, Rep. Milagros Laurel-Trinidad (Batangas), a nominal member of the NP, told the CHRONICLE that the alliance between Vice President Salvador Laurel and Cojuangco would "strengthen the opposition."

"Let's face it, Danding has a lot of followers and money," Trinidad said. She confirmed Sumulong's disclosure that Cojuangco has been meeting with some House members. "It's true, Danding is apparently counting heads now in preparation for 1992, if that's his real target," Trinidad said.

She discounted criticisms that the Danding-Laurel-Enrile triumvirate would not last since, as some observers noted, the three have presidential ambitions. "Ang politika ay pwede namang pag-usapan 'yan [Politics is always negotiable anyway]," she said.

Foreign Debt Reduced to $27 Billion by Nov '89

HK0203075590 Manila PHILIPPINE DAILY GLOBE in English 1 Mar 90 p 11

[By staff writer Ray S. Enano]

[Text] Central Bank Governor Jose Cuisia Jr. said yesterday that the country's foreign debts as of November last year have been reduced to just $27 billion.

Cuisia, in his statement to the foreign banking community during the signing of the $700 million new money accord in Tokyo, said that the Philippines was close to solving its commercial bank debt problem. He said that debts have been reduced to less than $5.7 billion from a peak of $9.1 million in 1987.

"The significant progress achieved by the country has paved the way for an eventual return to the voluntary market in the near future," he said.

Cuisia also cited that confidence of the international banking in the Philippine community has been restored as borne out by the increased flow of investments from $137 million in 1984 to $972 million in 1989. "Moreover, although difficult to quantify precisely, there has been a substantial reflow of flight capital in recent years," he said.

During the signing ceremony, Finance Secretary Jesus Estanislao assured the international banking community that the Philippine government will continue its market-oriented reforms. "We acknowledge that the observance of good economic discipline, despite its short-term pains, can with persistence bring about social equity, fast development and political stability," he said.

Foreign Bank Debts Reported at $5.7 Billion

HK0403004690 Manila MANILA BULLETIN in English 3 Mar 90 p 25

[By Raul Valino]

[Text] Total debt owed by the government to foreign creditor commercial banks now stands at only $5.7 billion, according to the Central Bank. [CB] In a statement issued in Tokyo the CB said the latest figure represents a 37.4 percent reduction in the government's record medium- and long-term commercial bank debt of $9.1 billion incurred in 1987.

The $3.4-billion debt cut, in absolute terms, came from debt-to-equity conversions, debt-for-asset transactions, local currency redemptions of external debt and the 50 percent debt-buyback signed with the commercial banks last January.

The new level of government debts to the private banks, however, does not include yet the $700-million new money granted by the commercial bank creditors which is to be released in three installments within the year.

Early in January, a number of the commercial banks opted to cease being creditors of the Philippines by agreeing to a repayment of only 50 percent of their exposure, with the effect of a write-off on the outstanding balance.

The Philippines financed the 50 percent buyback deal through new borrowings from the International Monetary Fund (IMF), the World Bank (WB) and other sources of foreign money. At least $1.3 billion was involved in the buy-back agreement. "The significant progress that the country has achieved has paved the way for an eventual return to the voluntary market in the near future," the CB said, referring to the buy-back agreement. As a result of this, it said, the Philippines "is very close to coming out of its commercial bank debt problem."

The buyback was the first of a package of three schemes designed for the Philippines by its commercial bank creditors. The second was the amendment of the existing agreement to reschedule principal payments falling due during the 1990-94 period which also sought to reduce the rate of interest on the existing commercial bank debt of the country.

The third was the most recent agreement signed Feb. 28 in Tokyo which provided for a new loan of $700 million of which $680 million came from banks which did not opt for the 50 percent buy-back. The balance of $20 million was provided by Philippine banks such as the Philippine National Bank, the Bank of the Philippine Islands, Allied Banking Corp., Far East Bank and Trust Co., the Philippine Commercial International Bank and the International Corporate Bank.

In 1983, the Philippines was forced to seek for a moratorium on the repayment of its foreign debt which as of that year had already accumulated to $24.1 billion. The amount, it was explained, represented, at the time, 71 percent of the country's gross national product and 296 percent of its exports of goods and services.

The foreign debt further peaked to $28.9 billion in 1987 but has since then gradually declined until it reached $27 billion due to several reduction schemes.

Trade Deficit Hits $2.597 Billion in 1989

HK0603032590 Manila BUSINESS WORLD in English 6 Mar 90 p 1

[By Alex B. Reyes]

[Text] The Central Bank [CB] reported yesterday that the Philippines' trade deficit ballooned to $2.597 billion in 1989, a 139% jump from the 1988 deficit of $1.085 billion. This is the second highest trade gap on record, topped only by the $2.646-billion deficit registered in 1982.

Total exports hit $7.821 billion, $747 million higher than the 1988 figure of $7.047 billion. The CB attributed the 10.6% growth to the $848-million rise in manufactured exports such as electronics, garments, machinery and transport equipment. Other exports that showed increases were mineral products, up by $65 million, sugar products by $39 million, fruits and vegetables by $13 million.

The top five exports for 1989 were seminconductor devices ($648 million total), coconut oil ($376 million), children's and infant wear ($335 million), and electronic microcircuits ($319 million).

From their 1988 levels, three out of the top five exports declined. These were semiconductor devices, coconut oil, and electronic microcircuits, with each decreasing by $46 million, $31 million and $38 million, respectively.

On the other hand, children's wear and copper metals grew by $60 million and $35 million, respectively.

Imports

Meanwhile, total imports reached $10.419 billion, a surge of $2.26 billion from the 1988 level of $8.159 billion. Imports of capital goods grew the largest in percentage terms, expanding by 48.1% or 4787 million. Of these capital goods, power-generating equipment imports increased by $348 million, telecommunication and electrical machinery up by $190 million, transport equipment by $109 million, and aircraft, ships and boats by $72 million.

Imports of raw materials and intermediate goods shot up by $973 million or 22%, with steel and iron, textile yarns, fabrics, nonferrous metals, chemicals and resins comprising the bulk of these goods.

The five major imports for 1989 were mineral fuels and lubricants ($1.396 billion total), non-electric machinery

($1.091 billion), base metals ($916 million), electrical machinery and appliances ($774 million), and transport equipment ($671 million).

Development Bank Posts P1.06 Billion Profit

HK2802083590 Quezon City MALAYA in English 28 Feb 90 p 9

[Text] Roberto de Ocampo, chairman of the Development Bank of the Philippines (DBP), yesterday said DBP earned a record profit of P1.06 billion in 1989 or P200 million more than the previous year's income. He said DBP's more than P1 billion bank income indicates the success of its rehabilitation program initiated in 1986.

He said DBP's improved profitability came mainly from the increased level of savings deposits, mostly from the countryside and other activities of the bank which included retail banking. From January to February 15 this year, savings deposits rose by P62 million, Ocampo said.

Ocampo said he expects the bank to earn at least another P1 billion net income for this year as it pursues its wholesale lending program and other development lending activities. The net income of P1 billion for 1989 was also attributed to a decline of more than P51 million in the payment of salaries and other personnel expenses incurred during the year, the unaudited financial statement showed.

Manufacturing Sales Said Up 14 Percent in 1989

HK2802084790 Quezon City MALAYA in English 28 Feb 90 p 9

[Text] For the fourth straight year in 1989, combined net sales of the country's 22 key industrial sectors posted double-digit growth, Secretary Jose Concepcion Jr. of trade and industry said yesterday. Concepcion said based on the findings of the monthly survey of 940 industrial firms by the Department of Trade and Industry, the net sales of the 22 industries surged by 14 percent to P200 billion in 1989 from P176 billion in 1988.

He said this sustained growth reflects the role of the manufacturing sector as a major contributor to the country's economic growth. Prior to the 1989 results, these companies had registered sales increases of 13 percent in 1986, 25 percent in 1987, and 17 percent in 1988, after showing a minimal four percent growth in 1985.

Twelve key industries registered double digit growths, five of them above 20 percent.

The fastest growing sector was the automotive industry—manufacturers of motor vehicles, spare parts, tires and batteries—which reported a 49 percent gain to P8.460 billion from P5.667 billion in 1988.

Sales of cement improved by 41 percent to P7.312 billion from P5.189 billion. The engineering and metalworking sector reported a gain of 31 percent to P768 million from P588 million. Garments sales rose by 28 percent to P40.620 billion from P31.746 billion. Producers of construction materials posted a growth of 24 percent to P4.274 billion from P3.452 billion. Net sales of chemicals and marine sectors both grew by 18 percent to P4.595 billion from P3.894 billion, and to P1.158 billion from P982 million, respectively. The food processing industry went up by 13 percent to P45.706 billion from P40.481 billion.

Three sectors posted growths of 11 percent each.

Net sales of consumer non-durables grew to P15.296 billion from P13.757 billion.

Packaging materials rose to P3.951 billion from P3.569 billion. Sales of pulp and paper went up to P4.145 billion from P3.742 billion. The iron and steel sector gained by 10 percent to P10.631 billion from P9.672 billion. Net sales of the textile sector climed by eight percent to P6.398 billion from P5.908 billion. Consumer durables and pharmaceuticals both increased by seven percent to P3.757 billion from P3.525 billion, and to P8.112 billion from 7.563 billion, respectively. Footwear, Leather and leathergoods sector grew by five percent to P1.543 billion from P1.463 billion.

Five-Point Labor Plan for Economic Growth

HK0103040990 Manila MANILA BULLETIN in English 1 Mar 90 pp 1, 20

[By E.T. Suarez]

[Text] Labor Secretary Ruben D. Torres issued yesterday a five-point plan to attain economic growth, increase investments, and create more job opportunities for the people.

Torres said the goal of the five-point agenda is industrial peace to hasten the reconstruction of democracy and the attainment of stable economic growth. Speaking before the Personnel Management Association of the Philippines (PMAP) led by Ranulfo P. Payos during its general membership meeting, Torres said other features of the five-point agenda are more vigorous enforcement of labor standards, generation of employment opportunities, promotion of countryside development, and full implementation of the 1989-1992 Philippine Development Plan for Women.

He said his initial efforts consist of moves to consolidate the gains made by the Department of Labor and Employment (DOLE) over the years and expand the needed democratic space to encourage increased investment initiative and promote greater levels of employment generation. "President Aquino has ordered the DOLE to convene in April a national tripartite congress to pave the way for a labor-management-government covenant of industrial peace," Torres said.

He said the DOLE is preparing for the congress which will review labor mechanisms in preparation for the forging of an agreement on industrial peace. "The DOLE will implement a comprehensive program for the enforcement of labor standards to show workers that it stands firm on the protection of the rights and welfare of workers," he said.

He said that under the DOLE commitment to justice and fairness in the regulation of labor-management relations, employers will be assured of reasonable returns.

Torres vowed to work for greater compliance with the Minimum Wage Law through intensive information campaign, more effective inspection procedures and policies, and improvement of the competence and dedication of its enforcement personnel.

"The DOLE will seek to penetrate the international labor market's higher paying jobs and develop new country destinations for Filipino skills and expertise," he said.

"Labor recruitment will be professionalized, the remittance system will be improved, assistance to distressed workers will be upgraded, and regional and countryside development will be given emphasis."

PMAP members pledged their assistance to attain Torres' five-point agenda.

Makati executive Fe T. Palileo, lawyer Benildo Hernandez, Bonifacio Q. Nery, and Ramon Medina of the RFM [expansion unknown] Group of Companies said industrial peace will serve as the key point of the five-point agenda to achieve stable economic growth. "A covenant on industrial peace will bring about long-term growth and stability for the country," they added.

Wholesale, Retail Prices in Metro Manila Up

HK0103041790 Manila BUSINESS STAR in English 1 May 90 p 2

["Indicator" column by Rica D. Delfino: "Metro Manilans Plagued by Wholesale, Retail Price Increases"]

[Text] The prices of products bought on a wholesale basis in Metro Manila as of December last year rose 10.9% from 1988 levels even as those for products bought on retail appreciated much faster, at 11.21%. This is according to the wholesale price index (WPI) and retail price index (RPI) the 1988-1989 movements of which were measured recently by the National Statistics Office (NSO).

The WPI and the RPI, according to the NSO, represent the real growth in prices of a basket of goods including food, crude materials, manufactured goods, machinery and transport equipment, miscellaneous manufacturing articles, chemicals, beverages and tobacco.

Based on side indices, commodities traded both wholesale and retail in the metropolis, except for crude materials and chemicals, showed price advances at the close of 1989 over their respective year-ago levels. This, the NSO said, indicated the inability of supply to keep up with the increased demand which arose from the consumer/construction-manufacturing boom during the period under review.

The NSO reported that the overall WPI in Metro Manila last December stood at 588.5 index points, up 10.9% from the 530.4 index points logged in the same period in 1988.

The general RPI, on the other hand, was pegged at 497.1 index points last December, an 11.21% leap from the preceding year's 447.0 index points.

On a year-to-year basis, the metropolitan WPI and RPI for the entire year last year, at 551.7 index points and 467.6 index points respectively, was the highest since 1986.

The upward creep in prices, according to the NSO, was aggravated by local producers' failure to meet the demand for goods especially during the last quarter of 1989, at the peak of Christmas consumer demand.

NSO sources, meanwhile, said the WPI and the RPI could still move up with the advent of more price mark-ups in the coming months particularly in goods whose supplies are likely to emerge emaciated in the wake of the current long-drawn drought. The steady rise of prices is also likely given the escalating cost of production particularly of manufacturing-based products.

Among the selected commodities whose wholesale and retail price are constantly monitored by the NSO, mineral fuels, lubricant and related materials posted the biggest index increments. This group's WPI moved up by 35% to 468.0 index points increased by 35% while its RPI rose 23.5% to 415.5 index points.

Food products, which are always sensitive to supply shortages and price changes, logged a 12.9% increase in WPI which settled at 738.8 index points last December while RPI grew by 10.16% to 501.9 index points.

Other commodity groups which recorded respective WPI and RPI hikes were: manufactured goods, up 15.2% and 17.6%; beverages and tobacco, 3.6/

and 10.20%; and, machinery and transport equipment, 6.4% for both WPI and RPI.

Thailand

Further on Proposal for Neutral Cambodian Camps

Chatchai Confirms Wish

BK0903010290 Hong Kong AFP in English 0034 GMT 9 Mar 90

[Text] Brussels, March 9 (AFP)—Thai Prime Minister Chatchai Chunhawan on Thursday [8 March] confirmed his desire to close Cambodian refugee camps in Thailand and establish "neutral" camps in their place.

He told AGENCE FRANCE-PRESSE that the refugee camps, which are run by the communist Khmer Rouge and two non-communist factions fighting to overthrow the Phnom Penh government, were forcing their wards into guerrilla operations. He said he wanted the camps to be shut down, adding that refugees would be free to return to Cambodia if they so wished.

Mr. Chatchai was speaking after meeting with the Belgian Prime Minister, Wilfried Martens. The Thai leader said it would be necessary to establish neutral camps that would be free from pressures by political factions fighting the Phnom Penh regime.

Mr. Chatchai, on an official visit to Belgium, also met Thursday with European Commission President Jacques Delors. He was leaving late Thursday for Denmark before travelling to London.

Further on Chatchai Remarks

BK0903101290 Bangkok Domestic Service in Thai 0530 GMT 9 Mar 90

[Text] The Public Relations Department reports on Prime Minister General Chatchai Chunhawan's visit to the European Community as the following:

The prime minister and his party on tour visited Belgium, the first country on the itinerary, yesterday [8 March]. The prime minister held talks with Belgian Prime Minister Wilfried Martens at the Government House in Brussels at 1600. Thai Government Spokesman Suwit Yotmani, who gave a briefing on the talks, said the Belgian prime minister supported the Thai proposal to set up neutral refugee camps for displaced Cambodians before repatriation. Belgium also pledged to give financial assistance for the camps if the Thai Government wants it to. Belgium also expressed an interest in cooperating with Thailand in vocational education and praised the country for its economic development.

The spokesman said Mr. Chatchai expressed his concern that the creation of a single market in Europe in 1992 may bring about trade protectionism against Thailand and the Southeast Asia. Mr. Martens said Thailand should not be worried about that and added that the unification of the EC market will help expand rather than limit markets for other countries. The Thai prime minister asked Belgium to invest in Thailand, and to use it as a springboard for further trade with Indochina and ASEAN, adding that this will help revive trade in Indochina.

At 1645 local time, Chatchai, accompanied by Commerce Minister Subin Pinkhayan and Surakiat Sathianthai, chairman of the prime minister's advisory board, met the European Community Commission President Jacques Delors at the Commission Office in Brussels. Mr. Yotmani disclosed that Mr. Delors said his stand is to cooperate with Thailand and to be more flexible on the tapioca trade talks between the two parties, and he will push the EC ministers to agree on the issue.

Apart from this, Mr. Delors also assured the Thai delegation that the EC will not do anything that will harm its relations with the Southeast Asian countries. Although the EC will place significance on relations with Eastern Europe, the EC will still regard Southeast Asia as a good market. The emergence of the EC into single market in 1992 will help widen the market and will bear positive results for Southeast Asian exports to the EC.

At 1930 local time, Mr. Chatchai left Brussels for an official visit to Denmark. He arrived at the Copenhagen airport at 2100 and was received by Danish Prime Minister Poul Schluter. The Thai premier and his party were then housed at the Scandinavia Hotel in Copenhagen.

Military Spokeman on Neutral Camps

BK0903012390 Bangkok BANGKOK POST in English 9 Mar 90 p 4

[Excerpt] Supreme Command spokesman Narudon Detpradiyut said yesterday the proposed "neutral camps" for Cambodian refugees were not necessary but the existing camps should be free of resistance influence.

Lt-Gen [Lieutenant General] Narudon said authorities should take measures to clear existing camps of any influence of the resistance forces and the Cambodian refugees should be encouraged to go back home and live where they choose.

Many places in Cambodia are today safe enough for Cambodian civilians to settle down voluntarily and most of them have confirmed that they want to return home once peace prevails in their homeland, he said. [passage omitted]

Intrusions by Heng Samrin Soldiers Reported

BK0803122790 Bangkok Voice of Free Asia in Thai 1030 GMT 8 Mar 90

[Text] A report from Aranyaprathet District, Prachin Buri Province, says that at 1015 on 7 March, ranger volunteers at Khlong Um Yen Sabai, assigned at Checkpoint 5 by Rangers Unit 1105, were contacted for help by Thai traders doing business at the Thai-Cambodian

border in Ban Non Sang, Tambon Tha Kham, Aranyaprathet District. The traders reported that a group of more than ten Cambodian soldiers of the Heng Samrin regime fired on Thai people at the trading point at Khlong Phrom Hot, a canal that separates Thailand from Cambodia.

After receiving the report, a group of rangers rushed to the spot and found a number of Thai traders running from shots fired at them by Cambodian forces. The rangers instructed authorities at the border to fire to protect the Thai traders. A five-minute clash broke out, after which the Cambodian forces retreated into Cambodia, with one Cambodian soldier wounded. Thai rangers captured one Cambodian soldier, Men Chhum, 42.

At 1230 on the same day, Captain Bunruam Tansanguan, commander of Rangers Company 1105, was told by villagers of Ban Khok Sabaeng in Tambon Tha Kham, Aranyaprathet District, that a group of eight Cambodian soldiers of the Heng Samrin regime, armed with sub-machineguns, intruded into Thai territory behind the health station of Ban Khok Sabaeng, and fired on the people's houses. However, when a team of rangers led by Capt. Bunruam arrived at the scene, the intruding Cambodian soldiers had already crossed back into Cambodia.

Radio Blames Vietnam for Failure in Jakarta

BK0803111190 Bangkok Voice of Free Asia in Thai 1030 GMT 7 Mar 90

["Article": "Vietnam and the Failure of the Jakarta Meeting"]

[Text] Listeners, little progress was achieved at the informal meeting on Cambodia in Jakarta in late February. The purpose of the meeting was to discuss the issues that remained outstanding at the international meeting on Cambodia held in Paris last August—the distribution of power among the four Cambodian factions during the interim period and the presence of Vietnamese settlers in Cambodia. Sensing that the Jakarta informal meeting's potential for failure was great, the ASEAN countries, which have long played a major role in settlement of the Cambodian problem, tried to suggest debates on issues that all parties shared a common ground—the UN role and involvement in the interim administration and elections in Cambodia, which is part of the Australian proposal.

But, regrettably, the Australian proposal was not given sufficient debate in Jakarta because the meeting became tense when Vietnam tried to evade the issue by bringing up the concern over the return to power of the Khmer Rouge in order to prevent it from participating in the general election, although the Paris conference had already agreed on the issue.

It is apparent that the Vietnamese and Heng Samrin stance was hard and inflexible, and the reason for this could be the successful recapture of Svey Chek by the Vietnamese-supported Heng Samrin forces. In a way, this should confirm the information from various reliable sources that a large number of Vietnamese soldiers have been sent back to Cambodia. No one knows for certain whether the Vietnamese withdrawal was total because Vietnam refused to allow any capable international body to verify it.

Moreover, reports by several reliable sources say the tripartite Cambodian forces have captured Vietnamese soldiers dressed in Heng Samrin regime uniforms. Although the captured Vietnamese soldiers who were shown recently to the mass media confessed that they had been left behind in Cambodia to collect information, many believe their duty was to assist the Heng Samrin regime in battles. The information provided by JANE'S DEFENSE WEEKLY and the U.S. State Department says that of the some 1,000 Vietnamese soldiers sent back to Cambodia, most were posted in western Cambodia to help the Heng Samrin soldiers in battles.

The Heng Samrin regime's quick loss of territory in western Cambodia to the tripartite Cambodian forces amounts to a big security setback for Vietnam and a major loss of the Heng Samrin regime's bargaining power to be used during the peace process in Cambodia. This is because the tripartite Cambodian government's bargaining power has been enhanced, and it is fully justified to call for ending the Cambodian problem and verifying the presence of foreign soldiers in Cambodia.

This is why Vietnam had to send its soldiers back to help in battles in Cambodia. But it is difficult to justify redeployment; therefore, Vietnam has cited past behavior of the Khmer Rouge as a pretext for its return to Cambodia. Vietnam has regularly used this pretext ever since its troops occupied Cambodia 12 years ago. The pretext is unreasonable and has been continually condemned by the international community. Vietnam ignores the fact that Khmer Rouge leaders have regretted their past mistakes and that the current Khmer Rouge leadership has changed and has promised not to revert to old policies. Vietnam ignores the fact that the Khmer Rouge are Cambodians and, like other Cambodians, have the right to join in the search for solutions to the problem in their country and for self-determination. In addition, the Khmer Rouge have the right to choose their leaders and their system of government, free from interference in their internal affairs by any foreigners or foreign soldiers present in Cambodia. Therefore, all forms of foreign forces in Cambodia constitute major obstacles to the election or self-determination in that country.

In addition to the Vietnamese military presence, another major obstacle in the settlement of the Cambodian problem is the presence of some 800,000 Vietnamese who were settled in Cambodia after the Vietnamese occupation. These settlers could significantly distort the outcome of an election because they have already been given Cambodian citizenship by the Heng Samrin

regime and because they could be directed to vote the way Vietnam wants. For this reason, the tripartite Cambodian government has insisted that this issue be resolved. But Vietnamese leaders have rejected any responsibility in the issue and refused to repatriate these settlers. The Vietnamese Government seems to be the only government that tries to push people out of their country and is able to make its citizens share poverty equally. Proof of this is Vietnamese Foreign Minister Nguyen Co Thach's statement: The Vietnamese people are equally sharing poverty.

This type of remark shows not only a lack of responsibility toward Vietnamese citizens but also the faulty Vietnamese policy of armed aggression against another country. This is because over 50,000 Vietnamese soldiers were killed in Cambodia and more than half a million others were wounded. Moreover, by ignoring the welfare of the Vietnamese people, over 50 percent of the Vietnamese national budget goes to support the occupation and the war in Cambodia which Vietnam cannot win.

Listeners, Vietnamese leaders should reassess their policy toward Cambodia, which has been a completely failure in the past 12 years. Vietnam should not act as the party that hinders or monopolizes the efforts to restore durable peace in Cambodia—as it has continually done, including at the recent Jakarta meeting. Vietnam should understand that peaceful coexistence and transformation of the battlefield in Indochina into a marketplace—as proposed by the Thai leadership—is the only way to bring real progress and security to Vietnam, Cambodia, and this region. For the sake of consensus among the Cambodian factions, which will bring peace, Vietnam should allow verification of its troop withdrawal and free and fair elections for the Cambodian people so that they can determine their own future, free from foreign interference. Vietnam should know its proper role and end its opposition to the peace process.

Article Discusses Failure of Jakarta Talks

BK0403090190 Bangkok THE NATION in English 4 Mar 90 p 7

[By Kawi Chongkitthawon]

[Text] It was a close call, indeed, for participants of the Informal Meeting on Cambodia in Jakarta almost agreed last Wednesday [28 February] on a record of common understanding which could otherwise lead to a significant breakthough. Unfortunately, the sacred rule of unanimity was invoked. There was no consensus on certain words in the draft document. Some heated argument followed and the peace effort suddenly collapsed. The three-day meeting ended without any statement, not even a short note to acknowledge that the meeting had taken place.

"Unfortunately, we got stuck in them again," sighed Indonesian Foreign Minister Ali Alatas, who spent more than 10 hours on the last day of the meeting trying to convince the Cambodian parties and Vietnam to drop their old entrenched positions.

The talks bogged down in the final plenary session because the main protagonists, Premier Hun Sen of the Phnom Penh government and Khmer Rouge leader Khieu Samphan, were locked in heated argument. Both demanded mutually exclusive amendments to the proposed draft to be issued at the end of the meeting. Hun Sen and Vietnamese Foreign Minister Nguyen Co Thach insisted on the use of the term "genocide" in the draft while Khieu Samphan refused and vetoed it.

This was a sudden change for the worse from the cordial and cooperative atmosphere of the first two meeting days. Alatas was at first very optimistic some results—concrete steps to introduce the enhanced UN role in Cambodia in months to come—could be produced.

On Tuesday, delegates from all sides took the floor to explain their views on issues they deemed important. The Khmer Rouge chose to focus on the alleged return of about 20,000 Vietnamese troops to the battlefield in Cambodia. The other two non-communist resistance groups, more or less, echoed the same line of blaming Vietnam for continuing to interfere in Cambodia. They also reiterated their call for the UN to supervise and verify the Vietnamese troop pullout and to assume the role of peacekeeping. Hun Sen, on the other hand, concentrated on his peace plan calling for the continuation of both the Phnom Penh government and the resistance coalition government and reducing the UN roles. Nguyen Co Thach avoided the power-sharing issue and picked on the issue of UN-supervised elections and neutrality of Cambodia in the context of ASEAN's concept of Zopfan (Zone of peace, freedom and neutrality). ASEAN foreign ministers endorsed the enhanced UN roles in the civil administration in Cambodia—the gist of the Australian proposal. They had also agreed earlier to play a low-profile role at this meeting and let Alatas take the leading role in his capacity as cochairman of the international Paris conference on Cambodia.

Disappearing Optimism

The initial optimism began to disappear on the last day during private consultations between Alatas and Claude Martin, director of ASEAN Pacific Affairs of the French Foreign Ministry, Cambodian, Vietnamese and Lao leaders. They met to discuss Alatas's draft on the common points of understanding.

The paper, which was circulated to delegates, was drawn up by Indonesia, with ASEAN's endorsement, contained key points that have been expressed by concerned parties, especially the warring Cambodian parties during the past 11 years. The document combined maximum demands from all Cambodian parties together with options from the Australian plan.

After consulting individually with leaders of the resistance groups, Alatas met with representatives from the

three Indochinese countries, Vietnam, Laos and Cambodia (Phnom Penh). According to the briefing given by Alatas to ASEAN foreign ministers afterwards, the Vietnamese foreign minister insisted on including the world "genocide," which was used in the documents at the Paris conference on Cambodia, in the final record. An ASEAN delegate said Alatas knew from that particular moment the meeting would end without an agreement on the record.

With the introduction of the word "genocide," the progress of the meeting then took a 180-degree turn—back to square one as the resistance groups, especially the Khmer Rouge, also wanted the document to take note of the presence of Vietnamese settlers in Cambodia. At the Paris conference, ASEAN and the resistance groups debated on these questions but were unable to resolve them. In the Paris conference's final documents, the word "genocide" appeared. Racing against time, Alatas tried to convince Nguyen Co Thach, Hun Sen and Khieu Samphan to agree on Alatas's draft statement which took into consideration demands by all parties.

During the last plenary debate, the two non-communist resistance groups, the KPNLF [Khmer People's National Liberation Front] and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], accepted the draft provided that it was not amended further. Prince Norodom Ranariddh, who represented his father, Prince Norodom Sihanouk leader of FUNCINPEC, was the most flexible. Son Sann, leader of the Kampuchean People's National Liberation Front, was cooperative. Thach and Hun Sen raised objection to a clause in the draft document which calls for the need to "ensure a just solution to the question of Vietnamese and any other foreign settlers in Cambodia."

In Paris, Vietnam said about 80,000 Vietnamese have been living in Cambodia while the resistance groups estimated that there were at least one million Vietnamese settlers in Cambodia, and most of them went in after the Vietnamese invasion of Cambodia at the end of 1978. Since last October, the Vietnamese Embassy in Phnom Penh has called on the Vietnamese residents in Cambodia to register at the embassy. Diplomats said it was the first effort to check the number of the Vietnamese.

Thach and Hun Sen also protested a clause which says a UN fact-finding team should be sent to Cambodia as soon as possible.

On the question of power-sharing, Khieu Samphan insisted on the same formula of an interim government comprising representatives of the four Cambodian parties on equal footing. The government should be established immediately after the dismantling of both the current Phnom Penh government and the resistance coalition government.

Old Disagreement

Disagreement over these issues was not new. In fact the four Cambodian parties have argued over them during the past decade. In a way, it was not at all surprising when the debate over the word "genocide" snuffed off the final hope of a consensus record of understanding.

In a carefully-worded statement, the draft says: "all efforts should be aimed at achieving the prevention of recurrence of genocidal policies and practices and the return and introduction of foreign forces." The statement reflected the wordings of the UN documents on the situation of Cambodia. After much debate, the meeting ended with the Khmer Rouge exercising its veto power that effectively halted the official release of the draft document.

Most delegates agreed, however, that the Khmer Rouge's position was softer than in previous meetings on Cambodia. Khieu Samphan even expressed the readiness to accept the wording of the UN that refers to the Khmer Rouge's "universally condemned practices and policies of the recent past," without the word "genocide."

In an effort to save the meeting, Alatas, Martin and Evans revised the draft statement trying to come up with a middle-of-the road statement. Evans suggested various options to deal with the differences over the wording. For example, the document could include asterisks to identify disputed clauses without any explanation or with full explanation. But all attempts failed.

At separate press conferences, Nguyen Co Thach and Hun Sen blamed the Khmer Rouge for the failure of this Jakarta meeting, while Khieu Samphan blamed Vietnam.

Both Alatas and Evans expressed regret. Evans, who put most of the effort into trying to push his Australian proposal forward, said the outcome of the meeting "was very disappointing" and "deeply regrettable." "Disagreement arose only on peripheral issues, old issues, which were about atmospherics rather than issues of substance." "The only thing that there was disagreement of any real significance were essentially peripheral issues, the question of whether or not there should be a reference to the recurrence of genocidal practices and some of the other symbolic expressions that were around in the Paris conference."

Some agreements

Despite that, Evans noted that participants in this meeting agreed on at least the following:

—Agreement about the objectives of a settlement process;
—Agreement in general terms about the enhanced UN roles;
—Agreement about specific roles of the UN in military and security areas;
—Agreement about a specific and direct role for the UN in conducting elections;

—Agreement that the UN should have some role in civil administration subject to further negotiations;
—Agreement that there should be a supreme national council to symbolize the sovereignty and unity of the Cambodian nation;
—Agreement about other necessary arrangements having to be made for repatriation and rehabilitation of prisoners of war;
—Agreement about the kinds of procedure of a UN fact-finding mission though not necessarily agreement about the time when the mission will be sent to Cambodia.

Evans said that it would depend on the Cambodian parties to show a real commitment to stopping the killing and suffering in their country. "It may be that it is going to take some little time yet to get the Cambodian parties to finally realize the need to put their actions where their stated aspirations are and to actually produce a solution that will bring peace once and for all to this very tragic country," he added.

Monthly Border Situation Briefing Held

BK0203131490 Bangkok Voice of Free Asia in Thai 1030 GMT 2 Mar 90

[Text] Lieutenant General Narudon Detpradiyut, director of the Supreme Command Information Office, gave a monthly briefing yesterday at the Suranarai Forces Headquarters in Surin Province. He said after the announced withdrawal of Vietnamese soldiers from Cambodia in September 1989, the tripartite Democratic Cambodian forces have readjusted their operations and capability and had gained the upper hand in the battlefields where they had launched the offensive in Siem Reap-Oddar Meanchey, Banteay Meanchey, and Battambang. The Democratic Cambodian forces also initiated battles in several areas deep inside Cambodia not far from Phnom Penh, such as in Kompong Cham and Kompong Speu.

In early February, the Heng Samrin forces reversed the situation, becoming the aggressor in Mongkolborei and Phnum Srok Districts, Banteay Meanchey Province, and recapturing Svay Chek village on 23 February. The trend of the battle is for the Heng Samrin forces to go on a limited offensive, but not at the level that will enable it to either achieve a decisive victory or attain what it used to before the Vietnamese troops withdrawal.

On the Thai-Burmese border situation, Narudon said the Burmese Government has stepped up operations against the minority groups and this has had some repercussions on Thailand, especially in Mae Sot District, Tak Province. Local Thai officials will try to resolve the problem.

Regarding the burning of the Thai village of Wang Kaeo in Mae Sot District by Burmese soldiers, Thailand's demand for compensation has been given to local Burmese officials to be passed on to their government. The Foreign Ministry has been asked to contact the Burmese Government to collect the damage payment. The Thai Government has instructed the Defense Ministry to ask the Finance Ministry to advance 19 million baht to help the Thai victims of the fire.

Vietnam Accused of Subsidizing Rice Exports

BK0603023590 Bangkok THE NATION in English 6 Mar 90 p 26

[By Wilailak Saiwilai]

[Excerpts] The Government is to buy 100,000 tonnes of rice from the domestic market this month to prevent a price fall as farmers pay back their debts and sell paddy previously used as collateral, a senior Commerce Ministry official said yesterday.

The purchase would be part of a total of one million tonnes the government's Rice Policy and Measures Committee has decided to buy this year in order to support prices, and would bring the total bought so far to five million tonnes. The committee has instructed officials to buy when the price of paddy dips below Bt4,000 per tonne.

Thammanun Chiaosakun, deputy director general of the Foreign Trade Department, said farmers are expected to sell their rice this month as the repayment date approaches for credit borrowed from the Bank for Agriculture and Agricultural Cooperatives. [passage omitted]

A senior Commerce Ministry official has accused Vietnam of being able to undercut Thai rice prices because of subsidies from the Hanoi government. The official, who asked not to be identified, said Vietnamese rice is cheaper than Thai rice because of labour costs that are half the costs in Thailand and because Vietnamese exporters are granted special permission to import consumer products that are sold at high prices—effectively subsidizing the exports. Thai medium (15 percent) rice is said to be under cut by the Vietnamese equivalent by $50-60 per tonne. "Thais will have to be aware of this in order to compete," the source said.

Although Vietnam has an increasing rice surplus available for export—about one million tonnes this year according to US estimates, 1.4 million tonnes according to Hanoi's target—the Vietnamese still have severe problems marketing their rice, the official said. Among the problems are lack of high quality rice, the inability to sell on credit and lack of market confidence in Vietnamese rice. But Vietnam is beginning to compete effectively with Thailand in African countries and other markets where broken rice is traded. Vietnamese milling technology is still poor and produces a large proportion of broken kernels, the source said.

The official added that international brokers have been spreading rumours that Vietnam could export up to two million tonnes this year. "There are rumours now that the Soviet Union has bought 500,000 tonnes from Vietnam to resell to India, Cuba and Nicaragua; and that China is buying 100,000 tonnes.

Premier Chatchai Fires Central Bank Chief

BK0703011590 Bangkok THE NATION in English 7 Mar 90 p 1

[By THE NATION's Finance and Political reporters]

[Text] Prime Minister Chatchai Chunhawan yesterday sacked Bank of Thailand Governor Kamchon Sathirakun, replacing him with deputy governor Chawalit Thanachanan on the recommendation of Finance Minister Pramuan Saphawasu. The Cabinet was silent when it was informed of the sudden move at yesterday's weekly session. Kamchon is only 56 years old and has four more years to go before mandatory retirement while Chawalit, the seniormost bureaucrat after Kamchon at the central bank, is due to retire this October.

The sacking was the second of its kind in the recent history of the central bank. Ironically, Kamchon's predecessor, Nukun Prachuapmo was removed for the opposite reason to that of Kamchon. Nukun was fired because of his frequent conflicts with then finance minister Sommai Huntrakun over the country's monetary policy while Kamchon was known for bowing to Pramuan's wishes.

Emerging from the Cabinet meeting, Pramuan tersely explained that the change was made for "suitability" and refused further comments. The premier was also reticent on the issue, only saying that Kamchon had held the office for four years and should be rotated in accordance with government policy.

Although Pramuan said he has informed those concerned in advance of the change, Kamchon and Chawalit both appeared genuinely surprised. Kamchon showed no sign of former knowledge before the news was announced while Chawalit told THE NATION he was "shocked" at the news and did not know how to react to it.

Pramuan met with Chathai on Monday night at the premier's Ratchakhru residence and later yesterday morning when the finance minister reportedly submitted the order in writing to Chatchai for his approval before placing it on the agenda for the Cabinet session.

Informed soruces close to the premier said they believed the premier recommended that Pramuan propose the change on the grounds that Chawalit was more acceptable than Kamchon to the majority of officials at the central bank who were frustrated with what they saw as Kamchon's weakness in his dealings with the finance minister. The central bank has been in disarray for a while, particularly after a group of 10 senior central bank officials met Kamchon on January 17 and bluntly told him that he should take immediate action to restore the traditional image of the bank as an independent institution. These 10 senior officials include one deputy governor, four assistant governors and five directors. Kamchon had argued that his style of dealing with the finance minister was the most realistic under the present political circumstances and that it helped to cushion the bank from political influence.

However, Pramuan told reporters that Kamchon's removal had nothing to do with the "protest" by the 10 senior central bank officials.

Pramuan had reportedly favoured former Thammasat University rector Nongyao Chaiseri as Kamchon's successor while Chatchai preferred Chawalit. Chatchai has reportedly pushed for Chawalit's promotion since last year.

Asked about Kamchon's future, Pramual said there were still vacant C-11 posts at the PM's [Prime Minister's] Office and his Finance Ministry. "If he wants, he may ask for it," Pramuan said.

The minister said the fact that Chawalit, a professional bureaucrat at the central bank for about 30 years, was chosen as Kamchon's successor showed that he had no ulterior motive in taking the initiative. "If I recommended an outsider or a politician, I could have been criticised for seeking to dominate the central bank," he said.

Pramuan also said he would give the new governor a free hand in handling monetary affairs. "The Finance Ministry does not want to tamper with the central bank because we don't want to work harder unless there is a very good reason," he said.

Pramuan and the central bank bureaucrats have been at odds over a number of issues, notably the minister's policy to grant more operating licences to foreign banks in Thailand and the central bank's push for an increase in the lending interest rate ceiling to curb growing inflation. On the possibility of an increase in the lending interest rate, the minister yesterday said he needed a few more days to study the money supply after the expiry of the withholding tax exemption for foreign loans at the end of last month. "I am aware that an increase in the interest rate can be a tool to slow economic growth but I have to give serious thought to its effects on those who have borrowed less than Bt [Baht] 400,000 from commercial banks. There may be thousands in this case who could suffer from the rise," he said. Pramuan added that he had instructed his officials to find out how the expiry of the withholding tax had affected the money supply in the economy. The expiry was expected to help reduce the money supply and Pramuan had earlier said that he would study this before deciding on the call for an increase in interest rates.

Bankers 'Stunned' by Dismissal

BK0703013590 Bangkok BANGKOK POST in English 7 Mar 90 pp 1, 3

[Text] Commercial bankers yesterday were stunned by the dismissal of Bank of Thailand Governor Kamchon

Sathirakun, but expected it would not cause changes in the Government's and central bank's policies on the banking industry.

Thai Bankers Association President Pakon Thawisin said both Mr Kamchon and his successor, Chawalit Thanachanan, were good people. "Governor Kamchon was nice to work with," Mr Pakon said. "Sometimes he was soft, sometime he was tough." He declined to comment on Finance Minister Pramuan Saphawasu's decision to replace Mr Kamchon with Mr Chawalit however, saying he did not know the real reason for the change.

Siam Commercial Bank President Tharin Nimmanhemin said: "I am very sorry to hear (of Mr Kamchon's dismissal) and this may affect the central bankers' and other parties' efforts to maintain the Bank of Thailand's independence as this has happened to two governors." Mr Tharin said he did not know the exact reason for the removal of Mr Kamchon to the Premier's Office. "I cannot comment on this point. However, I believe that in the future, we will regret the loss of Mr Kamchon as the central bank governor. He is a nice man, neutral and sincere. We must give him the credit for reviving the country's ailing monetary system. He has done the best in re-stabilising the system," Mr Tharin said. Asked whether the removal of Mr Kamchon would have a negative impact on commercial banks, Mr Tharin said, "I don't think so. However, this depends on the reason for the removal. If the Cabinet removed Mr Kamchon with an intention to adjust its monetary policies, we will have to see what the new policies of the Government will be before saying whether they would affect us." Mr Tharin also ruled out a negative effect on the country's credibility in the eyes of foreign bankers. "This is our internal affair. But I believe they (foreign bankers) would be very interested in this," he said.

Dr Suphachai Phanitchaphak, Director and Executive Advisor of the Thai Military Bank, shared Mr Tharin's view that foreign bankers would only monitor whether Thailand's monetary policies would be changed following the removal of Mr Kamchon. Dr Suphachai, who is both former senior central banker and former deputy finance minister, said however that the Government should set a definite term in office for the central bank governor. "This will enable the central bank governor to work without problems. If the Government is not satisfied with a governor's performance, it can reject the renewal of his term when it expires. As for the governor, he can feel secure in working in the office until his term expires," he said.

Dr Suphachai said there must be limits to any independence granted to the central bank. The Bank of Thailand, he said, must be independent in exercising its authority, but it must be responsible and any independence it enjoys must be granted within the boundaries of the law. "It has the priority responsibility in convincing the Government to accept its views. If the Bank of Thailand fails to do that, cooperation between the Government and the central bank will lack direction, and if so, the country's economy will be in trouble," he said.

Thai Farmers Bank President Banyong Lamsam said he did not think there would be any significant changes in the central bank's monetary policies "as Achan [Professor] Chawalit is a veteran central banker and knows what is going on in the banking system very well."

New Bank Chief Reaffirms Policy

BK0803011390 Bangkok THE NATION in English 8 Mar 90 p 13

[By Watchara Charunsantikun and Sam-ang Wutthisaksathit]

[Text] By design, Chawalit Thanachanan has emerged to become a genuine financial leader destined to redeem the standing of the beleaguered Bank of Thailand, if redemption can be defined as re-establishing independence in the conduct of monetary policy.

His sudden appointment as the new central bank governor on Tuesday [6 March] has opened a new chapter for the prestigious institution which, as a result of political interference by the Finance Ministry, has been marred by indecision and a lack of assertive policy.

Chawalit's rise coincides with the fall from grace of Kamchon Sathirakun, who toiled honestly throughout his almost six years as governor. But in the real world, honesty by itself sometimes does not count for much. Kamchon's credibility was dealt a severe blow when he was unceremoniously sacked by Pramuan Saphawasu, the finance minister, who used the most insensitive terminology to describe the demotion. The minister was tight with his explanation, stating indifferently that the change was needed for reasons of "suitability". Period.

Kamchon is left with a choice of assuming an inactive position in the Office of the Prime Minister as a C-11 [senior grade] official or as an advisor to the Finance Ministry. "If he wants to, he may ask for it" was Pramuan's attempt at condolence to Kamchon, who, ironically, had done his best to be on good terms with the minister.

The news of the removal of Kamchon travelled quickly to Washington, DC, where a senior official of the International Monetary Fund made a 3 am (US time) call to Wichit Suphinit, a central bank assistant governor, to ask for an assessment of the central bank's future monetary policy implementation in the face of this top management change. Wichit assured the IMF official that "things will be moving in a better direction." Coincidentally, the board of directors of the IMF will meet on March 19 to discuss the overall economic situation in Thailand, itself a member of the IMF.

Chawalit, in his ever-prudent manner, reacted cautiously, if understandably, over the news of his appointment as the new central bank governor, seeing it as a necessary course of events that unravel themselves. "I

am ready to create a new leadership and work together with the senior officials and all employees of the central bank, in restoring the public faith and stability of the country's monetary policy," the former deputy governor declared yesterday at a press conference at the central bank's headquarters. Chawalit, 58, admitted that he, along with all central bank employees, was shocked to learn of the removal of Kamchon from office, but, as if trying to transcend politics, asserted that he and the five assistant governors would share the same vision in working hard to contribute to the progress of the central bank and as a consequence, the country.

The presence at the press conference of five assistants—Phaisan Kumalayawisai, Wichit Suphinit, Nit Siyaphai, Roengchai Makaranon and Ekkamon Khiriwat—was of symbolic significance, for it helped reinforce the impression that Chawalit would enjoy strong backing from his immediate subordinates in steering the central bank on a fresh course.

As he is yet to receive royal approval for the appointment, Chawalit said he is still the deputy governor, but displayed a willingness to entertain any questions in a straigthforward manner, characteristic of his methodological and thoughtful style.

He stressed that the priority of the central bank now is to maintain stability of the country's monetary policy, under which the baht will be stabilized, inflation curbed, the foreign exchange markets closely monitored and financial institutions soundly supervised. In fact, this policy is clearly indicated in a central bank three-year develpment plan now under review. The plan focuses on four major areas: deregulation and liberalization of the exchange control, examination and supervision of financial institutions to encourage them to broaden their scope of business, development of financial management and instruments with the floating of interest rates as the ultimate goal, and reorganization of the government's payments system.

Chawalit announced that the central bank will be moving swiftly to deregulate and liberalize its exchange control policy during his tenure. But unless a work extension is made, he is due for retirement in October this year. He stressed that the central bank no longer places controls on the current transactions of corporations, and that the next step will be a relaxation of control in the capital inflow for investment in Thailand or outflows in the form of dividend payouts or profits. This procedure, now in effect, will be conveniently completed within three days if the information is adequately and accurately filed in a prepared form, he added. With the new policy in store, confidence among foreign investors should rise in the Thai financial system. Chawalit also emphasized that the central bank will try to balance domestic interest rates and foreign rates, a step necessary to prevent money from flowing out of the country in the event of lower domestic rates. "These measures will not be able to be accomplished during my six-to seven-month tenure. But I will try to do my best so that the person succeeding me will have an easy time continuing the job," Chawalit admitted.

As a member of the General Agreement on Tariffs and Trade, a body governing world trade, pressures are growing for Thailand and all 97-member nations to deregulate or liberalize their exchange controls and restructure their financial systems, a step necessary to achieve an integration in the worldwide financial system. Over the next five to 10 years, it is perceived, the Thai financial system will be increasingly integrated into the global financial system, the implications of which will be measured by the single European market in 1992 and the reunification of Eastern Europe.

In Chawalit's view, the wind of change in the international scene makes it necessary for Thailand to be alert all the time by strengthening its economy and being ready to meet the challenge of the fast-changing worldwide economic environments. This entails local financial institutions also strengthening their operations and building up their advantages in preparation for a more competitive environment.

Chawalit said the central bank will be working on improving its supervision of financial institutions, while reducing its caretaking role for troubled institutions so that an environment of competition in the financial arena can be nurtured.

As for the central bank's proposal to raise the ceiling of lending rates by two percentage points from the current 15 percent, Chawalit said the central bank has been advancing the cause of this measure consistently, as seen by Kamchon's proposal submitted to the Finance Ministry in the middle of January. Higher interest rates are an efficient tool to combat inflation and cool down the overheating economy.

However Pramuan, at this point, is only willing to meet the central bank's proposal half way. Last week he agreed to go ahead with the central bank's plan to issue bonds worth Bt20-Bt30 billion to drain excess money out of the system. But he is still expressing reservations over allowing interest rates to rise, although he has conceded an agreement in principle with the idea. Pramuan wants to see more details of the proposal and to wait for a better time.

As for the policy of granting additional licences for foreign bank branches, Chawalit also said he had no objection to the idea. This is not a new proposal as Sommai Huntrakun, who was finance minister several years, used to assign the central bank to study the possibility of awarding additional licences to the foreign banks. Chawalit headed this team which, however, did not go so far as to suggest the number of foreign banks to be added.

Upon his formal appointment, Chawalit is expected to resign as manager of the Exchange Equalization Fund [EEF] an arm of the central bank monitoring the foreign

exchange markets and manage the "basket of currencies". A suitable person will be named to succeed Chawalit at the EEF, who will have to be approved by the EEF committee chaired by the finance minister

Vietnam

Feb-Mar Joint Search for U.S. MIA's Reported

BK0803154190 Hanoi VNA in English 1522 GMT 8 Mar 90

[Text] Hanoi VNA March 8—Vietnamese and U.S. specialists conducted from February 16 to March 6 the 9th joint search for information on 12 U.S. airmen reportedly missing in action during the Vietnam war in the provinces of Son La, Bac Thai, Tuyen Quang, Hai Hung, and Haiphong, and examined in Ho Chi Minh City a number of remains.

The U.S. specialists highly appreciated the effective cooperation and assistance of the authorities and people in the places where they conducted the search.

The U.S. specialists left Hanoi on March 6, 1990.

Embassy Rejects Charge of Troops in Cambodia

BK0903103290 Hanoi International Service in English 1000 GMT 9 Mar 90

[Text] The Vietnamese Embassy in Cambodia rejected the West's allegation saying that Vietnam has left behind a number of military personnel in Cambodia. In a press communique released on Tuesday [7 March], the embassy reaffirmed that the last unit of Vietnamese army volunteers returned to Vietnam last September. All allegations saying that Vietnam has left behind military personnel in Cambodia are sheer fabrication, groundless, and ill-intended.

Thailand May Change Policy Toward Cambodia

BK0703161590 Hanoi VNA in English 1536 GMT 7 Mar 90

[Text] Hanoi VNA March 7—"Thailand may change its policy toward the Cambodian resistance as well as toward refugees from the Cambodian war living in camps on Thai territory," Thai Government Spokesman Suwit Yotmani was quoted by the French news agency AFP as saying in Bangkok on Monday [5 March].

The Thai spokesman said that Bangkok may re-evaluate its position toward the Cambodian resistance alliance in light of international opinion.

"We also have to ask our ASEAN members on this point too," he said.

Regarding the refugees, Suwit Yotmani quoted Thai Prime Minister Chatchai Chunhawan as saying that Cambodian refugee camps in Thailand should be "neutral camps" controlled by the United Nations. "We will still allow the camps to remain and we want them to be transformed into 'neutral camps' controlled by the United Nations. We will still allow the camps to remain on Thai soil, but we want them to be controlled and supervised by the United Nations, rather than the resistance factions because we have been hearing about involuntary movements of civilians into Cambodia, and we want stop this," the Thai spokesman added.

He also said that the Thai-Cambodian relations "were not frozen" although Thailand "has not granted diplomatic recognition" to the State of Cambodia, and that Bangkok and Phnom Penh "were in touch and the Thai Government would willingly receive Mr. Hun Sen once he wishes to come to Bangkok again."

Pham Van Dong's 84th Birthday Ceremony Held

Nguyen Van Linh Speaks

BK0303140190 Hanoi Domestic Service in Vietnamese 1100 GMT 2 Mar 90

["Text" of CPV Secretary General Nguyen Van Linh's speech 1 March at Ho Chi Minh City ceremony to celebrate Pham Van Dong's 84th birthday—read by announcer]

[Text] Respected and beloved Comrade Pham Van Dong, dear comrades: Today, the comrades from the party's Political Bureau and Secretariat, the National Assembly, the Council of State, the Council of Ministers and the Vietnam Fatherland Front Central Committee joyfully meet to commemorate the 84th birthday of Comrade Pham Van Dong, ex-member of the CPV [Communist Party of Vietnam] Central Committee Political Bureau, former chairman of the SRV Council of Ministers, now adviser to the party Central Committee and our respected and beloved fourth brother, to attend the ceremony held by the Council of State to confer the Gold Star Order on Comrade Pham Van Dong.

Comrade Pham Van Dong is one of the outstanding students of our respected and beloved Uncle Ho, a revolutionary, a stalwart and experienced leader of our party and state, and a genuine communist devoted to the country and the people. Over the past three years, as an adviser to the party Central Committee, the comrade has served with a high sense of responsibility to continually contribute to the collective administration and to the important achievements of our party and people. In view of his great contributions to the revolution over the past six decades, Comrade Pham Van Dong well deserves the noble Gold Star Order. He is the shining example of justice and impartiality, diligence and honesty, and loyalty to the country and the people. He is well-loved by all party members and the people, and respected by international communist and workers movements, friends, and leaders of many parties and states in the world. On the occasion of Comrade Pham Van Dong's entering his 85th year of age and receiving the Gold Star Order, all our party members, people and troops express

their love, gratitude, and warmest wishes to respected and beloved Comrade Pham Van Dong.

Dear comrades: Our nation is facing great ordeals and prospects. We vow to follow the noble examples of Comrade Pham Van Dong and revolutionary predecessors who have cared for and consolidated the party, making it strong and firm, who have renovated the party leadership and the state management, and together with and for the people have continually advanced renovation along the socialist line to scrupulously implement great President Ho Chi Minh's sacred testament. We respectfully wish Comrade Pham Van Dong good health and longevity.

Pham Van Dong Speaks

BK0303141990 Hanoi Domestic Service in Vietnamese 1100 GMT 2 Mar 90

["Text" of Pham Van Dong's 1 March speech at his 84th birthday ceremony in Ho Chi Minh City—read by announcer]

[Text] Respected comrade General Secretary, respected comrade Chairman of the Council of State, respected comrades of the Political Bureau and dear comrades: From the bottom of my heart, I would like to express my profound gratitude to comrade general secretary and all comrades for the noble award and extremely fine sentiments which you, comrades, on behalf of the people have offered me. Also from the bottom of my heart, I would like to voice my determination to struggle for the noble revolutionary cause of our party and people. Even by doing so, I think that I deserve only part of the noble things which you comrades and the people have offered me today.

At this moment, I remember Uncle Ho and his instruction urging me to frequently conduct self-criticism and criticism, just like one has to wash one's face daily. At the same time, I should tell you what the general secretary already clearly mentioned in his speech on the occasion of our party's 60th anniversary and recently reiterated in a cadre conference, that is the struggle to oppose negativism in the socioeconomic life of our country by all means. In recalling Uncle Ho's, I think that our house now has too much dirty garbage. This has rightfully angered the people. In such a situation, we must consider sweeping our house as a foremost task to make it cleaner every day. Only by doing so can we have an environment and a favorable opportunity to perform other political, socioeconomic, domestic, and foreign tasks well to advance the revolutionary undertaking of our party and people to new victories in building and defending our beloved socialist Vietnam.

Once again, I thank the comrade general secretary and all other comrades.

Nguyen Co Thach Chairs Meeting With USSR

BK0803025890 Hanoi VNA in English 1625 GMT 7 Mar 90

[Text] Hanoi VNA March 7—The Vietnamese-Soviet Intergovernmental Commission for Economic, Scientific and Technological Cooperation held its 15th session in Ho Chi Minh City on March 5-6.

The Vietnamese delegation was headed by Nguyen Co Thach, vice chairman of the Council of Ministers and head of the Vietnamese section of the commission and the Soviet delegation by V.K. Gusev, vice chairman of the Council of Ministers of the Soviet Union and head of the Soviet section of the commission.

The two sides reviewed their cooperation last year, worked out tasks for 1990 and discussed main orientations for cooperation for 1991-1995.

They expressed satisfaction over the development of their cooperation over the past year which was in line with the two parties' policy of renovation. Last year, with Soviet assistance, many projects were built and put into use in Vietnam as scheduled, especially the operation of the third and fourth turbine generators at the Tri An hydroelectric power plant in the south and the second turbine generator of the Hoa Binh hydroelectric power plant in the north.

In 1989, the goods exchange between the two countries made big progress. The Soviet side supplied Vietnam with numerous important raw materials, fuel and essential commodities in service of the economic development and the people's daily life. The Vietnamese side increased its exports to the Soviet Union, thus reducing its export-import imbalance.

Various forms of bilateral cooperation were expanded in the sectors of agriculture, industry, and fishery on the basis of cost-accounting and mutual benefit. Meanwhile the two countries' scientific and technical cooperation continued developing.

Both sides discussed and agreed on practical measures to further raise the effectiveness of their comprehensive cooperation in new forms in the years to come.

They exchanged views on the main orientations for coordinating their national plans in the 1991-95 period, particularly in finding out appropriate measures to raise the effectiveness of their cooperation in light of the policies of restructuring and renovation in each country.

Both sides attached special importance to the consolidation and development of their economic, scientific and technical cooperation at present in service of the current process of restructuring and renovation, thereby contributing to strengthening socialism in each country.

Nguyen Co Thach and V.K. Gusev signed the minutes of the session.

Today the Soviet delegation left for home.

Soviet Attache Hosts Army Day Reception

BK2402164690 Hanoi VNA in English 1609 GMT 23 Feb 90

[Text] Hanoi VNA Feb. 23—The military attache of the Soviet Embassy, N.V. Lytchal, gave a reception here this evening marking the 72nd Soviet Army Day (Feb.23).

Among his Vietnamese guests were General Doan Khue, vice-defence minister and chief of the general staff of the Vietnam People's Army; Nguyen Dy Nien, deputy foreign minister, and Nguyen Quang Tao, deputy head of the party Central Committee's External Relations Commission.

Workers Discuss Mass Proselytizing Program

BK0103155590 Hanoi Domestic Service in Vietnamese 1100 GMT 26 Feb 90

[Report on debate held by workers of Thong Nhut passenger car corporation in Hanoi on draft program for the party's mass proselytizing work; date not given—with portions recorded]

[Text] With the party Central Committee Secretariat making public the draft program for renewing and intensifying the party's mass proselytizing work, a Voice of Vietnam radio correspondent has attended a debate held by the Thong Nhut passenger car corporation in Hanoi to contribute opinions to the draft program. Attending the debate were Comrades Nguyen Ngoc Than, secretary of the corporation's party committee; Duong Van Yen, head of the corporation; Nguyen Van Thi, chairman of the corporation's trade union; Duong Dac Cu, a standing party committee member; Nguyen Viet Thieu, secretary of the Ho Chi Minh Communist Youth Union; Dang Thi Lien, chairwoman of the Mechanics Trade Union; Le Thi Mao, chairwoman of the Administrative Bloc's Trade Union; and Truong Van Thuc, chairman of the Bac Kan Car Fleet's Trade Union. You are hereby invited to listen to the debate:

[Begin recording] [Debate mediator] Ladies and gentlemen: The party Central Committee recently made public a draft program for renewing and intensifying the party's mass proselytizing work in order to solicit the people's suggestions. As you have studied this draft program, let us start debating it. First, I would like to invite Mr. Than, secretary of the party committee, to give his opinion.

[Than] I think this is a very correct and important move. As a secretary of the party committee, I personally favor this move. Last year, several party committee members of the corporation's party organization trusted by the masses and by other party and youth union members were assigned to take charge of mass proselytizing work. In the party organization's monthly and quarter programs, many activities to be carried out by these members were clearly pointed out. Efforts were also occasionally made to promote and supervise their work implementation, but not much has been achieved. At present, within our party ranks a number of comrades in charge of mass proselytizing work balk at this duty, thinking it is time-consuming. Realizing our responsibility, we have made it clear that all our party cadres and members must perform their mass proselytziing duty.

[Debate mediator] Following the opinion of Mr. Than, I would like to invite Mr. Cu to speak about the party committee's concern on this matter toward trade unions and the youth union.

[Cu] It is right that the party committee has shown great concern over this matter. As for efforts to motivate trade unions, we think that although work supervision has been made, something is still left undone. For example, those party members lacking a sense of responsibility should have been dealt with properly, but there is no action on the part of our party.

[Debate mediator] Are there many party members in our corporation to be dealt with for their failure to fulfill their duty?

[Cu] They may be numerous, but we must single out those comrades who are inactive. You, comrades, may know who these people are. From up here, we have also looked at those comrades, including youth union chapter secretaries, who remain inactive. After being admitted to the party to assume the position of youth union chapter secretaries, many comrades have ceased to be active. Such cases are numerous. They have been upgraded to official party members despite their poor performance. With constant reminders from the party organization, party chapters concerned should have directly educated these comrades. Whereas, sponsors, including the corporation's trade union executive committee, have failed to educate these party members while they were still in their probation period.

[Debate mediator] Could Mr. Than tell us of the percentage of weak party members at the corporation?

[Than] In 1989, we checked the work performance of party members and found that the number of party members who failed to fulfill their duties for one reason or another stood at approximately 15 percent. In 1990, efforts will continue to be concentrated on effecting a change in the performance of these party members.

[Debate mediator] Could Mr. Thi, chairman of the corporation's trade union, speak about those areas in which party members of the corporation are still weak as observed by the masses, and about whether the percentage of weak party members revealed by the comrade secretary is correct?

[Thi] The areas most criticized are that party members have failed to do as instructed by party resolutions, to correctly perform their duty as party members, and to speak and work according to party resolutions. They may have spoken according to party resolutions, but they did not act accordingly. In addition, discipline is not strict.

Therefore, it will be hard for us to overcome the problem regarding low-quality party members.

[Debate mediator] Do you have any suggestions to the draft program with regard to the betterment of future trade union activities?

[Thi] I think that the most fundamental thing for bettering trade union activities is to ensure the availability of clear-cut systems and policies. When there is a trade union law, grass-roots trade unions are to devise their own systems in conformity with the law. Once put into force, this law must be observed by all people, including party members, regardless of what positions they may hold. As the trade union law is to be based on the Constitution, all I want to ask for is the early promulgation of this law.

[Debate mediator] It is usually said that if an enterprise is really concerned about its workers, it must realize two things: first, ensuring employment for its workers, and second, increasing their income. Mr. Yen, in your capacity as a director, could you speak about this issue?

[Yen] At present, the prestige of the party has been eroded somewhat. Amid this situation, the party has made a decision to renew mass proselytizing work. I find this move fantastic. As a party member entrusted with the duty of running the enterprise, I think that mass proselytizing work will benefit professional efforts aimed at achieving various planned targets set by the state. The corporation has, in this regard, cooperated with various mass organizations such as trade unions and youth unions in caring for the welfare of cadres and workers. For instance, they have ensured employment and average income for cadres and workers, just as in 1989 when cadres and workers were guaranteed an annual income of 65,000 dong. A careful review of what we have done to ensure a good life for cadres and workers shows that we have not fulfilled our responsibility to the fullest. This year, we are planning to improve the living standard of cadres and workers.

[Debate mediator] Mr. Thi, as chairman of the Bac Kan car fleet trade union, what do you think after hearing the party committee secretary, the director, and others talk about the role of trade unions and workers?

[Thi] Facts at the passenger car corporation show that the party organization has concerned itself with indoctrinating the masses. Earlier, only party members were allowed to hold key positions at the corporation. Now, in accordance with the resolution of the party Central Committee's fifth plenum, anyone with competence can hold such positions. This is one of the strong points of the party's mass proselytizing work. However, our party's orientations for renovation are not clear enough, especially when it comes to applying to certain sectors. Some sectors may operate profitably while others operate at a loss. The people's lives are still beset with numerous difficulties, but there has been no orientation at all for solving this situation. That is why the masses have become less confident in the party. Good orientations will enable the party to keep the activities of various sectors and echelons running smoothly.

[Debate mediator] Ms. Lien, as you are the chairwoman of the Mechanics Trade Union, what do you think about the recent observations made by various leading comrades of the corporation over the party's program?

[Lien] The majority of our mechanics, both nonparty members and party members, are now very confident and elated over the fact that—contrary to earlier practice when party leadership was rigid and inflexible, when everything was in the hands of the state, and when privatization was not allowed in our corporation—the heads of the party committee and the trade union are making door-to-door visits to provide advice to their subordinates and to inquire about the situation of needy families so they can provide them with assistance. This has made us, the workers, feel deeply moved.

[Debate mediator] At many debates held in various localities, there have been suggestions that cumbersome organizations such as trade union organizations and workers' youth unions must be removed from enterprises. Could Ms. Mao speak of the overwhelming opinions at your trade union over this issue?

[Mao] It is impossible to remove youth unions because they are the party's right hand. As for trade unions, they are a principal organ for motivating cadres and workers to carry out their trade. Therefore, no one in our trade union suggests the dissolution of his trade union.

[Debate mediator] Now, could Mr. Thieu, secretary of the corporation's Youth Union, speak about the role of the corporation's youth union on the draft program. Do you have any suggestions?

[Thieu] My youth union operates according to the guidelines of the party committee concerned for propagating and educating youth union members on the realities of life, on life-style, and on ideology. When it comes to shifting to business cost-accounting, although with equal attention given by the party committee and the corporation management, we, in our internal activities, still face many perplexing problems. The leadership of the party chapter shown over production is haphazard, and over youths at each establishment inadequate. With regard to the party's program, as preparations have already been made for the seventh party congress, the party must concentrate on satisfactorily developing last year's achievements and promoting a better socioeconomic life in conjunction with efforts to stabilize the people's life. The party must strive to purify itself.

[Debate mediator] Ladies and gentlemen, through our debate, we have, in general, agreed with the draft program. Your relationship with the corporation has proved that the party organization has concerned itself with providing leadership over various mass organizations and that it has come up with specific resolutions for each particular period of time. However, mass proselytizing

work at the corporation has not been carried out strongly and regularly. In the party, some 15 percent of party members are still regarded as weak and unable to serve as a leading nucleus for the masses. Due to its concern for the masses, the enterprise has stayed close to them and also created employment for them. Although their income is still not high enough, much effort has been made to improve it. According to the comrade head of the corporation, in the period ahead, efforts should be made to improve the work performance and the income of cadres and workers. As for trade union activities, various comrades have called for an early approval of the trade union law by the National Assembly. Based on this law, everyone and every organization will work better. [end recording]

Doan Khue Discusses Armed Forces Building

BK2702152790 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Dec 89 pp 20-26

[Article by Senior Lieutenant General Doan Khue: "Some Problems in Building the Armed Forces in the New Situation"]

[Text] Our entire party, people, and army, together with friends the world over, are joyfully celebrating the 45th founding anniversary of the Vietnamese revolutionary armed forces, 22 December.

Our party and President Ho Chi Minh have directly led, organized, and built the people's armed forces into a new type of army that bears the revolutionary nature of the proletariat. Our army was born out of the people for whom it has fought. Our army is immensely loyal to the party's revolutionary undertaking and faithful to the nation's fundamental interests—independence, freedom, and socialism. The heroic Vietnamese people gave birth to the heroic Vietnam People's Army. Joining with the people, our army defeated many agressor armies and caused the enemy's contemporary reactionary military doctrine to go bankrupt during our armed uprising, our liberation war, and our war for national defense.

Today, our people's armed forces are joining with the entire party and people in striving to carry out the renovation undertaking initiated by the sixth party congress. It is prominently noted that socioeconomic construction and development have become a task whose implementation has been receiving our party's and people's greatest efforts. The duty of defending the socialist Vietnamese fatherland and our army's and people's internationalist obligation must be carried out in such a way as to meet our party's and state's new strategic requirements.

The aggressive nature of imperialism has never changed. Its current worldwide attack on socialism is fiercely taking place. Imperialism's and the reactionary forces' comprehensive sabotage strategy against our country is being conducted in a complex, sophisticated fashion. The danger of our country facing aggression and expansionism still remains.

Evidently, the country's ever-changing situation and the cause of consolidating national defense are creating new requirements for building the armed forces. Moreover, over the past 45 years, our armed forces, especially our people's army, has been built up in accordance with the law on wartime military organization. Today, it is important that we must develop and creatively exploit our experiences and our traditions as well the lessons on building the armed fores learned during our recent wars of resistance to come up with a superior model of military organization for building the people's armed forces and meeting our present and long-term requirements for defending the socialist Vietnamese fatherland.

It is our basic guideline that building the people's armed forces must be carried out in tandem with the party's and people's tasks of carrying out economic construction and development and firmly defending socialist gains and the socialist fatherland in all circumstances.

Our party has called for "effecting a firmer, more drastic change in the combined quality of the armed forces and for ensuring that the armed forces have a rational standing personnel strength. Attention must be paid to building a self-defense militia force and a reserve force for mobilization." This means that in the new situation, the armed forces must be built in the direction of reducing their size and improving their quality and militancy. In reducing the size of the armed forces, we must first reduce the numerical strength of the standing army. In reality, this will help partially reduce the state budget for national defense and create more favorable conditions for socialist construction and for the current renovating undertaking.

However, the quantitative reduction must be carried out rationally. In other words, we must create a new correlation between quantity and quality, between various categories of forces, between the standing army and the reserve force, between the regular army and the paramilitary force, between armed services and combat branches, and so forth in such a way as to suit our present task in regard to national construction and defense. This also amounts to creating an appropriate correlation between military organization and economic capabilities as well as between requirements for building socialism in the new situation.

Therefore, building the armed forces in the new situation requires not only efforts to build the regular army but also attempts to develop the reserve forces and militia and self-defense forces. Besides a compact, seasoned regular army, one must build powerful reserve forces and militia and self-defense forces in order to create an aggregrate strength for the people's armed forces and fill the gap created by a reduction in the regular army's forces, thus guaranteeing conditions for fulfilling all national defense requirements even at a time when the regular army is undergoing a substantial troop reduction. To this end, plans must be worked out to define the most appropriate army-building pattern to meet the requirements of both national construction and national

defense in the new situation. It is necessary to avoid a situation in which one attaches importance only to troop reductions and belittles the need for improvement, or considers only short-term objectives and fails to realize the need to build a powerful military organization in order to meet long-term national defense requirements.

The following are the key contents of building the armed forces at present:

1. Develop the Vietnam People's Army into an increasingly regular and modern army with a rational numerical strength, compact organization, and high efficiency.

It is necessary to continue reducing the size of the regular army and to maintain a rational numerical strength. Step-by-step resolute measures must be taken to restructure the people's army by the Ministry of National Defense, general departments, military regions, military corps, armed services, and armed branches down to detachments to make the people's army as compact and effective as possible. In fact, this is part of the process of applying the law governing the regular army's organization to the new situation in which top priority is being given to socialist construction and economic development.

In the near future, many units, components, and organs will undergo very substantial personnel cutbacks. Some components will have to be dissolved. Meanwhile, some components and organs will undergo only minor personnel cutbacks or no personnel cutbacks at all. Troop reduction will take effect immediately for some units or will be carried out step by step for others. What matters most in the course of troop reduction is a general understanding of the situation. It is necessary to take into consideration the effectiveness of troop reduction and the need to apply this move to each military region, armed branch or armed service, army corps, agency, and organization in the context of the present situation. At the same time, it is necessary to take into account the ability to promptly develop our military strength in case of war.

Based on the tasks, possibilities, and conditions of each strategic orientation, it is necessary to devote efforts to building many military corps and combined task forces comprising strong naval, air force, and air defense units. These forces must be capable of launching major attacks and possess enormous firepower and the ability to fulfill all combat missions.

It is necessary to give a priority supply of modern weapons and technical equipment to units and armed services and armed branches in charge of major combat missions. It is necessary to properly care for and make the best use of weapons and technical equipment. Plans must be devised to improve weapons and technical equipment a step further in the direction of modernizing the armed forces. Efforts are needed to consolidate the national defense industry step by step and to build and develop increasingly modern and firm material and technical bases.

All military organizations and units must make positive efforts to study and develop advanced Vietnamese military art in support of national defense. This military art must meet the requirements of the struggle to defeat all kinds of military activities and wars of aggression unleashed by the enemy from air and sea as well as its embargoes and encirclements. It is necessary to promptly and effectively apply the various scientific and technological innovations of modern military art to the building of the people's army.

Some of the tasks of building the local forces have changed. Later, in many provinces and districts, troops of the standing army will be reduced to a very small number and will not even exist in certain localities. It is necessary to pay attention to and concentrate efforts on building units of the local forces in important areas or in areas that are vunerable to attacks. All units of the local forces must be organized, equipped, and trained in such a way as to meet the combat requirements for the defense of each area and locality. It is necessary for these units to be thoroughly familiar with the terrain, to have a keen understanding of the area, and to be able to fight well both in an isolated situation and under enemy siege.

To help ensure a "small but well-trained" standing army, it is necessary to improve the standards in recruiting troops and to do away with the practice of ensuring numerical norms while ignoring the quality of the recruits. (Due to the misunderstanding that the Army is "a big school," some localities have sent depraved youths to the Army for "reeducation" and ailing or poorly educated youths for medical treatment and further education!)

2. Build a powerful reserve force which can always maintain a high level of combat readiness.

According to the Law of Military Organization, in the process of defending the fatherland, without a strong reserve force we cannot respond promptly to constant, decisive, and complex changes from the start of a conflict, and cannot rapidly reinforce the standing army and adjust the strategic disposition of the Armed Forces. Therefore, in building the reserve force under the new situation, there are eminent requirements which are completely different from those during the years of resistance against the Americans. In the process of defending the fatherland, the reserve force is a fundamentally structural element of the standing army—the people's army. The quality and numerical strength of the reserve force also constitute a decisive factor in building the fighting strength of our people's army.

Today, the reserve force is duty-bound to mobilize reservists not only for various infantry units but also for all armed services and military branches possessing modern technology. If war breaks out, we will have to use military corps and combined troops to coordinate combat activities among various armed services and military branches on a large scale and with high technical and tactical levels. The requirements for mobilization

must be fulfilled by a large number and a rapid concentration of troops for immediate combat engagement. To meet these requirements, all party committee and administrative echelons, as well as all sectors from grass-roots to central levels, must pay constant attention and devote efforts and wealth to the organization, registration, management, training, and mock mobilization of reservists. These tasks must be carried out under a solid, unified program and with progressive and scientific methods aimed at ensuring a high degree of accuracy and a short mobilization period.

Requirements for wartime mobilization call for the building of reserve units in accordance with the plan devised for organizing army units during wartime. All divisions that have been assigned to organize reserve units, as well as all units belonging to various armed services and military branches, must follow the wartime personnel organization methods to prepare for mobilization. These units must be judiciously managed at all times and must undergo training and carry out exercises to ensure a high level of combat readiness. The staff of these units includes officers, noncommissioned officers, soldiers, military specialists, and technicians in various fields. In arranging reserve units, it is important to organize staff personnel according to their military professional branches. They can be transferred to other armed services only when it is absolutely necessary.

Reserve units for mobilization of the local forces in provinces and districts should strive to recruit their troops from surrounding villages in accordance with their combat plans. Weapons and equipment must also be made available locally and near the staging area so the units can be mobilized and sent into combat most expeditiously when necessary. Authorities in provinces and districts must directly build, train, and firmly control these units.

Reserve units for mobilization at the grass-roots level conduct their routine activities and training separately in accordance with separate programs to meet the requirements of building and developing the regular army. Reserve detachments will not be organized together with militia and self-defense forces detachments to form a unit. We do not recommend placing reservists in militia and self-defense organizations under the mobilization plan in order to avoid organizational confusion in case of mobilization because this will affect the combat activities of militia and self-defense forces. (Except in mountain and border villages where the population is small and where there are very few reservists. A staff organization can be set up together with the militia to facilitate routine activities and the defense of local territory).

Until there is a mobilization order, reserve units for mobilization will participate in local military tasks just like militia and self-defense forces. Since we have not acquired much experience in building reserve forces, we have to draw upon experiences while working for gradual improvement so that step by step we will have a powerful reserve force network which is scientifically and modernly organized, closely administered, thoroughly trained, and constantly combat ready.

3. Build militia and self-defense forces strong and firm in conformity with the new situation in localities.

Rules on militia and self-defense forces (promulgated by the Council of Ministers) must be scrupulously implemented. All qualified citizens can join the militia and self-defense forces. In this connection, it is necessary to study and implement the alternative method of performing military service in the militia and self-defense forces. This is also a measure to achieve social justice in terms of military obligation when the number of annual recruits is not as large as before. Nevertheless, the most important point is to build these forces into a force which is able to effectively defend the administration and socialist construction at the grass-roots, village, and street levels, thus creating new combat strength when the number of regular army troops is decreasing.

We must consider quality, especially political quality, in building militia and self-defense forces, and must emphasize the building of militia and self-defense forces in targeted areas, especially border areas, islands, zones of weak political bases, and other important coastal and inland areas.

To enable militia and self-defense forces to operate with practical results in consolidating national defense, assuring security, and developing production, their organization must be linked to the organization of production and suitable to the specific conditions of each locality and each basic installation. There need not be a model for setting up mechanically similar organizations. At present, militia and self-defense forces are organized into squads, platoons, and companies; and even battalions, when size and conditions permit and necessity demands. Militia and self-defense forces will not be organized into regiments and divisions as they have been in many localities over the past few years.

The training of militia and self-defense forces must be studied and renovated for better quality and must not be conducted for the sake of formality as is the case in many localities. Training must be relevant to the mission of the units, depending on the construction and combat plans, for "firm and strong defense areas." It is important to maintain regular training and conduct short-term yet good quality training, considering the training of militia and self-defense forces as a production duty. Militia and self-defense forces are further bound to coordinate with the people's public security forces to serve as a core for all the people to counter enemy sabotage and to assure security and order in localities and at the grass-roots level.

Whether or not militia and self-defense forces can achieve good training results depends on whether or not party committee echelons in localities and basic installations have attentively cared for the training of the forces in their localities. As a result, key cadres and

leading production cadres in villages, hamlets, and factories should directly command militia and self-defense forces. Secretaries of party committees (chapters) must be truly good leaders in the military commands of each locality and each basic installation.

The most fundamental issue in building the armed forces in the new situation is that we must attach importance to developing them politically and ideologically. It is necessary to enhance their revolutionary will and vigilance so they can resolutely defend our national independence, sovereignty, and territorial integrity; firmly safeguard the achievements of socialism; and successfully frustrate the enemy's multifaceted strategy of sabotage on every scale, and war of aggression in every form.

Along with these tasks, we must ensure that the military training program for each unit is fully carried out in accordance with its contents. A matter of concern at present is the need to renovate or improve training methods to enable soldiers, especially cadres, to perform combat and command duties skillfully. We must, through training, pass on to cadres and soldiers of the next generations the combat experiences accumulated with the sacrifice of lives in various wars of resistance.

It is necessary to combine the development of the armed forces closely with the effort to build and consolidate combat positions for the people's war and build "firm defense zones" in each locality, each battlefield, and throughout the country.

Striving to develop the forces and to improve the fighting strength of the army is a matter of vital importance. Meanwhile, building combat positions and "firm defense zones" means creating basic conditions for the armed forces to ensure effective operations as well as success in preparation for combat and combat duties. Therefore, the development of the local, militia and self-defense forces—in terms of organizational size, equipment, and training—should be carried out in a way that suits the combat duties of various localities and defense zones in provinces, cities, precincts, and districts concerned. These are local forces, the forces that will promptly fight and intercept enemy troops in interrelated combat positions of people's warfare prepared in advance, thus enabling the entire country to have a necessary period of time to embark on fighting with the most enormous strength.

Meanwhile, all military corps and combined groups of troops of the main forces should be developed, organized, and equipped to suit the combat assignments for each strategic direction and each battlefield. They should not be organized mechanically and uniformly.

In developing the armed forces, it is also necessary to modify and satisfactorily execute policies for the armed forces and the standing army, as well as the army rear policies.

Our party and state have promulgated many systems and policies for the armed forces. Nevertheless, given the new situation, many of the contents of these systems and policies are no longer appropriate. As a result, many difficult problems facing cadres and soldiers and their dependents in their daily life remain unresolved. People have shown less concern for national defense consolidation and army-building work. Ideological problems have emerged among cadres and soldiers and have had an adverse impact on efforts to improve the quality of the armed forces.

As pointed out in the party Central Committee sixth plenum resolution, there is an important, urgent need "to devise a correct organizational form and policy to train and develop a contingent of highly qualified army officers and specialists, and to regard this as an important part in the building of the armed forces. Efforts are needed to improve and satisfactorily implement the various systems and policies for the standing army and the rear army policies." Steps must taken to basically change the contents of existing policies and formulate new ones. This is something that cannot be done overnight. Nevertheless, one should not use the difficulties now facing the country as an excuse for refusing to make the first move in this direction. At the same time, members of the armed forces must contribute positive solutions to difficult problems facing the state and the armed forces. Army units engaging in economic development should bring into full play their strengths and potentials and should practice business accountability in accordance with the state management mechanism. In this way, there will be conditions for the armed forces to meet their own demands and at the same time produce more material goods for the society.

Building the armed forces in the new situation is a heavy task which calls for the efforts of the entire party, people, all echelons, and sectors from the central down to local and grass-roots levels. Only with a truly renovative spirit and thorough understanding of the views on practicality and development can one study this issue scientifically, work out a practical problem-solving method, and meet the requirements of the struggle to defend the fatherland and safeguard the achievements of socialism at present.

Veterans Association Holds News Conference

BK0503160590 Hanoi VNA in English 1518 GMT 5 Mar 90

[Text] Hanoi VNA March 5—The Provisional Executive Committee of the Vietnamese Veterans Association (VVA) held a press conference here today to introduce its statute which will be debated at its founding congress scheduled for the middle of this year.

Speaking to the media, Huynh Dac Huong, secretary general of the Provisional Executive Committee of the VVA, said that the founding of this association aims to meet the requirements of the revolutionary tasks in the new stage, to promote the traditions of the Vietnam People's Army, to contribute to the efforts of the entire people to safeguard the gains of socialism and defeat the "strategy of erasing socialism" of the imperialists and

other reactionary forces. A 30-member Provisional Executive Committee has been appointed with Senior Lieutenant General Song Hao as president, Senior Lieutenant General Tran Van Tra, and Lieutenant General Nguyen Don and Le Hien Mai as vice presidents.

Haiphong Faces Difficulty in Troop Conscription

BK0603054690 Hanoi Domestic Service in Vietnamese 1400 GMT 28 Feb 90

[Text] Haiphong municipality has faced numerous difficulties in its first phase of troop conscription for 1990. Many families sought to help their sons and brothers evade the draft, including families of workers and civil servants. So far, only 50 percent of the youth of military service age—in three districts of the municipality—showed up for medical exams. Among the households that helped their sons to evade the draft were 20 families of high-ranking cadres, including a director of an office whose case was recently raised by the Haiphong paper in its daily event column.

Implementing military service is the obligation of every citizen. Mass organizations and families should strive to educate and motivate youth of military service age to carry out their citizen's obligation. The Haiphong council for troop induction, military agencies, and echelons of the administration should deal with violations of the state law on troop induction to maintain strict discipline and ensure social justice.

Vung Tau-Con Dao Border Defense Commended

BK0103113190 Hanoi Domestic Service in Vietnamese 2300 GMT 27 Feb 90

[Text] Last year, a number of foreign vessels and boats encroached upon Vietnamese territorial waters in areas of Vung Tau-Con Dao Special Zone. The border defense force of the special zone and other forces maintained a close watch in these areas and confiscated a number of foreign vessels, thus satisfactorily maintaining order and safety in the national territorial waters. The special zone's border defense force also stopped 59 cases of illegally fleeing the country by boat, and checked more than 83,000 arrivals and departures of boats and vessels in our country's territorial waters. Border defense posts 514, 526, and 534 and vessels 1304 and 1302 of the border defense force's naval unit were awarded certificates of commendation by the special zone's border defense force command.

High-Speed Telecommunications Line Inaugurated

BK0303142890 Hanoi VNA in English 0728 GMT 3 Mar 90

[Text] Hanoi VNA March 3—A micro-computerized telecommunications line linking Hanoi to Moscow and Ho Chi Minh City with a speed of 4,800 words a minute was put into commission here yesterday by VIETNAM NEWS AGENCY (VNA).

The new line will considerably increase VNA's news and data exchanges with news agencies in the Soviet Union, Britain, France, the United States, and other countries, in the immediate future the East European capitals, Paris, New York and Havana.

Speaking at the inauguration, VNA Director General Dao Tung said that one of the major contributing factors to this success is the introduction by VNA technicians of the Vietnamese language with its complex system of accents into the microprocessor.

Intelsat Earth Station Commissioned in Hanoi

BK0703100690 Hanoi VNA in English 0705 GMT 7 Mar 90

[Text] Hanoi VNA March 7—A satellite earth station Standard A of the Intelsat system has been put into operation here by the General Department of Posts and Communications.

The project, a joint venture between the General Department and the Overseas Telecommunication Company International (OTCI) of Australia, provides a direct telecommunication link through the Intelsat satellite system between Vietnam's capital and many Asian, Oceanic and European countries. A similar station was inaugurated in Ho Chi Minh City last August, linking the city through 500 telephone and one television channels with the United States, Canada, Australia, Singapore, Hong Kong, Thailand and Japan. Another station is nearing completion in Danang, in central Vietnam.

The construction and equipment of the Hanoi Intelsat station cost one billion Vietnamese dong or 500 million U.S. dollars, in which the Australian side contributed 80 percent.

Hanoi Meeting Marks International Women's Day

BK0803025490 Hanoi VNA in English 1549 GMT 7 Mar 90

[Text] Hanoi VNA March 7—A mass meeting was held here today by the Vietnam Women's Union and the Confederation of Vietnamese Workers to mark the 80th International Women's Day (March 8) and the 1950th anniversary of the uprising by two Vietnamese national heroines, the Trung Sisters, against northern domination.

Le Quang Dao, vice president of the State Council and chairman of the National Assembly; Pham The Duyet, secretary of the party Central Committee and the Hanoi Party Committee; Olga Aviles Lopes, Nicaraguan ambassador to Vietnam, and a number of women from foreign embassies here attended.

Addressing the meeting, Nguyen Thi Dinh, member of the party Central Committee and president of the Women's Union, brought out the Vietnamese women's great contributions to the national socioeconomic development, particularly in production and in looking after their families.

Also on these occasions and in anticipation of the birth centenary of President Ho Chi Minh, the Executive Committee of the Vietnam Women's Union organized in Hanoi today an exhibition on "President Ho Chi Minh With the Cause of Woman Emancipation."

The same day, an exhibition on handicraft goods made by Hanoi women was opened at the Vietnam-USSR Friendship Cultural Palace. "Days of Films on Women" also started throughout the country.

NHAN DAN Calls for Equality of Sexes

BK0803092690 Hanoi VNA in English 0735 GMT 8 Mar 90

[Text] Hanoi VNA March 8—The national daily NHAN DAN today marks the 80th International Women's Day (March 8) with a frontpage editorial calling on the entire country to work for the equality of sexes and women's development.

The paper notes that while the country is in the process of completely abolishing the current bureaucratic mechanism based on state subsidies and switching economic management over to the system of socialist business accounting, many party and state policies regarding women and children having become ineffective have not (not) been replaced. It also points out a continous decrease in the number of women holding responsible leading and managerial posts, which, it says, results from both the lack of due attention and proper training on the part of the party and the deeply-rooted social prejudice against women.

Papau New Guinea

Investigation Ordered Over 'Massacre' Report

BK0903092090 Melbourne Overseas Service in English 0500 GMT 9 Mar 90

[Text] Papua New Guinea's defense minister, Mr. Sabumei, has ordered an investigation into allegations of a massacre by Papua New Guinea soldiers on Bougainville last month. Radio Australia's Port Moresby correspondent, Sean Dorney, says Mr. Sabumei had asked for the defense force commander to supply a report on the claim which was first published in the newspaper THE TIMES OF PAPUA NEW GUINEA two weeks ago. A spokesman for the minister said the investigation had been requested more than a week ago and Mr Sabumei had no comment to make until he receives the report.

Meanwhile, the commander of the Bougainville Revolutionary Army [BRA], Mr. Sam Kauona, is reported to have said negotiations for Bougainville to break away from the rest of Papua New Guinea and the BRA's agenda for the future. [sentence as heard] The rebel army and the Papua New Guinea security forces are currently observing a cease-fire, but the security forces are due to have completely withdrawn from the island by the 16th of this month.

Mr. Kauona, in his latest statement reported by the country's National Broadcasting Commission, claimed that nearly 100 percent of Bougainvillians would vote for secession if a referendum was conducted.

'Chaos' Feared on Bougainville After Crime Wave

BK0903091990 Hong Kong AFP in English 0847 GMT 9 Mar 90

[By Wally Hiambohn]

[Text] Port Moresby, March 9 (AFP)—Law and order appears to be breaking down on Bougainville Island ahead of the complete withdrawal of all government troops next week, Papua New Guinea's Police Commissioner Paul Tohian said here Friday [9 March].

Mr. Tohian said there had been several violent incidents on the island since a ceasefire between separatist rebels and government security forces went into effect on March 2. "We are very concerned about these incidents over the past few days and are now wondering who is really honouring the ceasefire agreement," he said.

Under the agreement all government forces are being withdrawn from the island by next Friday ahead of peace talks with militants who want secession from Papua New Guinea and massive compensation from the Bougainville Copper Ltd. (BCL) mine, currently closed, for its operations.

"If this continues and nothing is done now, the province is heading for total chaos," said Mr. Tohian, who is also the island's state of emergency controller. "The situation will reach the stage where we may find that properties and lives cannot be protected, business houses cannot be protected, as there will be no police in the province.

"By next Friday there will be no policemen left in the province to enforce law and order."

By the end of this weekend the government will have withdrawn the bulk of the 1,000 soldiers and police it sent to the island nearly 12 months ago. More than 80 people have been killed since late 1988 when the rebels launched a violent campaign which forced BCL to close its giant open cut mine at Panguna last May. BCL has put the mine in mothballs and withdrawn all employees from the island.

Mr. Tohian said the new crime outbreak, which included a number of armed holdups, had cast doubt over the rebels' sincerity towards the ceasefire.

"Our greatest concern now is the militant leader Sam Kauona's revelation on radio that only a small group of selected militants will be armed to deal with the lawbreakers," he said. "The danger in that is anyone's guess."

The government had expected to begin peace negotiations with the militants this week, but attempts to get them off the ground have been hampered by communications problems.

Foreign Affairs Minister Michael Somare, who was Papua New Guinea's first prime minister on independence in 1975, has been appointed to head the government team. The government is negotiating with the European Economic Community (EEC) for 25 million U.S. dollars to resettle Bougainvillean villagers displaced by the conflict.

Arnold Van Nieklerk, the EEC Delegate in Port Moresby, said Prime Minister Rabbie Namaliu's government had requested this assistance five months ago. Mr. Van Nieklerk said the EEC would be happy to provide the funds but was waiting for the situation on Bougainville to return to normal before the money could be released.